There will be rollcall votes tomorrow afternoon on the NASA authorization bill following the discussions by the two leaders with respect to their recent journey.

The Senate will encounter a long day tomorrow. It is anticipated that action will be completed on the NASA authorization bill, even though the hour might be reasonably late tomorrow when that occurs.

The unfinished business—with the pending question on the amendment No. 1187, as modified, by the junior Senator from West Virginia—will remain in a temporarily set-aside status throughout the day tomorrow until the close of business tomorrow or until the final disposition of the NASA authorization bill, whichever is the earlier. So no action is contemplated on the unfinished business on tomorrow, at least until after H.R. 14070 is disposed of. Incidentally, by way of explanation, I have been advised that the House of Representatives will act on the NASA appropriation bill on May 22 or 23. Senator ELLENDER, chairman of the Senate Appropriations Committee, wishes to act quickly thereafter to bring the bill to the Senate floor. It is necessary, therefore, that the Senate act soon on the NASA authorization bill. The distinguished manager of the bill, Senator CANNON, asked that the bill be taken up and disposed of tomorrow. It appears that unless the bill were to be disposed of tomorrow, action on the bill would probably be delayed until about May 22. For these reasons, the leadership has agreed to bring the NASA authorization bill up tomorrow, with the understanding that it will be disposed of tomorrow and will not further delay the resumption of debate on the unfinished business, S. 3526.

ADJOURNMENT UNTIL 11:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11:30 a.m. tomorrow.

The motion was agreed to; and, at 4:44 p.m., the Senate adjourned until tomorrow, Thursday, May 11, 1972, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 1972:

IN THE ARMY

The following-named person for reappointment to the active list of the Regular Army of the United States with grades as indicated, from the temporary disability retired list, under the provisions of title 10, United States Code, sections 1211 and 3447:

To be major general, Regular Army, and major general Army of the United States:

Stoughton, Tom R., [redacted]

IN THE NAVY

The following-named officers of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided by law:

MEDICAL CORPS

Philip O. Geib
Donald L. Custis
Edward J. Rupnik
William J. Jacoby, Jr.

DENTAL CORPS

Wade H. Hagerman, Jr.
George D. Selfridge.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 10, 1972:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be lieutenants

Robert F. Buckley
Melvin N. Maki
Thomas J. Stephens, Jr.
Joseph G. Woods

To be lieutenant (junior grade)

Richard A. Shiro

WITHDRAWAL

Executive nomination withdrawn from the Senate May 10, 1972:

DEPARTMENT OF JUSTICE

Louis Patrick Gray III, of Connecticut, to be Deputy Attorney General, vice Richard G. Kleindienst, which was sent to the Senate on February 15, 1972.

HOUSE OF REPRESENTATIVES—*Wednesday, May 10, 1972*

The House met at 12 o'clock noon.

Dr. Jack P. Lowndes, president, Home Mission Board, Southern Baptist Convention, and pastor, Memorial Baptist Church, Arlington, Va., offered the following prayer:

Let not your heart be troubled. You believe in God.—John 14:1.

We thank You, our Father, that You have given us another day and another gift of time. Today we pray for those whose time is spent here in looking after the welfare of our Nation. Give to them guidance in using the gifts they have and give to them strength as they seek to make a useful contribution to the life of our Nation and our world.

Be, we pray, with the Speaker of this House. We are thankful that he has been given another year of life. May Thy blessings be upon him on this his birthday as he begins another year of life and service.

Help us all this day to fulfill our responsibilities to our fellow men and to You. In Thy 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 SENATE

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

H.R. 13435. An act to increase the authorization for appropriation for continuing work in the Upper Colorado River Basin by the Secretary of the Interior.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make a statement.

The Chair has received intelligence from the police force and other responsible authorities that there will be disturbances in the gallery today. On the basis of this information and their recommendation the Chair has ordered that the galleries be closed to the public for the time being.

HAPPY BIRTHDAY, MR. SPEAKER

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

Mr. STEED. Mr. Speaker, it is my great honor and privilege and pleasure on behalf of my fellow Oklahomans and all of my colleagues here in the House to convey our best wishes to our fine Speaker on this, your birthday, and to say "Happy birthday, Mr. Speaker."

HAPPY BIRTHDAY, MR. SPEAKER

(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 would like to concur in the remarks of the distinguished gentleman from Oklahoma in wishing you a very happy birthday.

I know, as well as any man, the very heavy burden you carry and the manner in which you execute your responsibilities with a sense of fairness and dedication at all times.

Mr. Speaker, many, many happy returns of the day on this, your birthday.

Mr. GERALD R. FORD. Mr. Speaker, will the distinguished majority leader yield?

Mr. BOGGS. I am delighted to yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I concur wholeheartedly in the sentiments which have been expressed both by the gentleman from Oklahoma (Mr. STEED) and the gentleman from Louisiana on this, your birthday.

Speaking for us, one and all, we wish you a very, very happy birthday and the best wishes for many more to come.

We think you have been a fine speaker.

[Applause, the Members rising.]

The SPEAKER. The Chair was talking about demonstrations in the gallery and not on the floor.

NATIONAL MICROFILM WEEK

(Mr. CONABLE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CONABLE. Mr. Speaker, 20 Members of the House of Representatives today joined me in sponsoring a resolution calling upon the President to proclaim the week of September 24 as "National Microfilm Week." The resolution is identical to House Resolution 1148 which I introduced, along with Congressman FRANK HORTON, on April 10. I am hopeful that the interest expressed in National Microfilm Week by these additional cosponsors will facilitate consideration of the bill in the Judiciary Committee.

The purpose of the resolution is to recognize the ever-increasing role of microfilm in our society and acknowledge the accomplishments of an industry and technological system which has revolutionized information gathering and dissemination in a way that has affected everyone's life. This significant role was detailed in a statement I made on page 11986 of the April 10 CONGRESSIONAL RECORD.

Designation of the week of September 24 as National Microfilm Week would be a fitting tribute to this important industry and I urge early consideration of this resolution.

NOT DOVES, BUT HAWKS FOR THE OTHER SIDE

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

Mr. SCHMITZ. Mr. Speaker, I am sure that all of us who were present recall vividly the disturbances in the House gallery yesterday in connection with the President's decision to mine North Vietnamese harbors. Being on the floor at the time, I watched and listened attentively, fully expecting that the most revealing facts about what happened would not be reported in the press.

And they were not. Just as I had anticipated, the questions from newsmen yesterday and the stories they wrote which appeared in the press today—for example, see page A10 of this morning's Washington Post—conveyed the usual picture of peaceloving "doves," pacifistic "war protesters." Carefully omitted was any reference to the slogans I personally heard them shouting: "Victory to the NLF—National Liberation Front"—and "Power to the people!" The meaning of the first is obvious. The second is a well-known Communist rallying cry.

Nor was any mention made of the fact that as they were being ushered out, many of them gave the Communist clenched-fist salute.

Mr. Speaker, those demonstrators in our gallery yesterday were no doves. They were hawks for the other side.

POWER TO THE PEOPLE

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

Mr. RONCALIO. Mr. Speaker, let me say to my good friend, the gentleman from California (Mr. SCHMITZ), that the slogan, "Power to the people," is not necessarily a Communist slogan. It was the slogan that moved George Washington, Thomas Jefferson, and other founders of this Government. This Government stands for power to the people, and it also stands for government by the people. We are the true revolutionaries, not the Communists. In these trying days we should be reminded of these basic American virtues that other governments take from us.

CONFERENCE REPORT ON H.R. 9212, BLACK LUNG BENEFITS ACT OF 1972

Mr. PERKINS. Mr. Speaker, I call up the conference report on the bill (H.R. 9212) to amend the provisions of the Federal Coal Mine Health and Safety Act of 1969 to extend black lung benefits to orphans whose fathers die of pneumoconiosis, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I take it the gentleman will take ample time to explain the conference report?

Mr. PERKINS. That is correct.

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

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

There was no objection.

(For conference report and statement, see proceedings of the House of May 4, 1972).

The SPEAKER. The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am pleased to present to my colleagues in the House today the conference report on the Black Lung Benefits Act of 1972 (H.R. 9212). Today's action culminates a long and careful consideration by the Congress of the administration of title IV of the Federal Coal Mine Health and Safety Act of 1969 and the impact of that title on compensating miners who have been totally disabled or who have died from pneumoconiosis or so-called black lung.

It became apparent after a year's operation of title IV that because of strict and, in some instances, incorrect interpretations, many disabled miners whom we intended to benefit from the black lung provisions of the 1969 act were being denied disability payments. It became obvious in our studies that there were matters which had not been taken into account in the original passage of title IV that in all equity and justice should now be corrected.

Illustrative of one of these inequities is the fact that title IV in the existing law permits augmented payments to a widow on account of the dependent children of a miner who died from pneumoconiosis. It did not, however, provide for payments to dependent children of a miner where there was no surviving widow. Hence, under the existing law, these double orphans are not entitled to benefits. This tragic oversight was one of the inequities with which we dealt in H.R. 9212 when it passed the House of Representatives by a rollcall vote of 312 yeas to 78 nays on November 10, 1971.

Mr. Speaker, I believe that the conference just concluded has maintained essentially the major thrust and intent of the House-passed legislation with possibly one exception which constituted the major difference between the House and Senate on H.R. 9212. In outlining for my colleagues at this point in the conference agreement, I will begin with this, the most difficult problem for the conferees to resolve.

This major conference difference resulted from the fact that the House-passed bill extended Federal responsibility for the payment of pneumoconiosis claims fully through the year 1973 and partially for the year 1974. Under existing law, full Federal responsibility ended on December 31, 1971, and the Federal Government under existing law assumed responsibility in 1972 only for those claims filed in 1972 and then only for the payments due that year. Claims subsequent to those filed in 1972 and the continuation of payments after 1972 were to be assumed by the States through State workmen's compensation laws under part C.

Contrasted with the House provision, the Senate amendments extended full Federal responsibility only through the year 1972 with partial Federal responsibility through 1973. The conference compromise extended full Federal financial responsibility through June 30, 1973, with partial Federal responsibility during the 6-month period beginning July 1, 1973, extending through December 31, 1973.

Both the House- and Senate-passed bills extended coverage to miners disabled with pneumoconiosis from work in mines other than underground mines. Likewise, both versions of the legislation precluded the denial of claims based solely on the results of negative X-ray findings. Consistent with the practice in social security cases, it permitted the Secretary of Health, Education, and Welfare to certify benefit payments directly to the dependents where it is deemed advisable and desirable to do so.

These matters, of course, were retained in the conference.

Part C of existing law deals with compensating miners where death or total disability was due to pneumoconiosis after the Federal responsibility is ended, when State workmen's compensation laws assume this responsibility. Under the existing law, part C would have terminated on December 30 1976. Under the House-passed bill, this termination date was extended to December 30, 1978. The Senate amendments by contrast made part C permanent. The conference compromise extended part C to December 30, 1981.

The Senate amendment permitted dependent parents of a deceased eligible miner to succeed to such miner's benefits if there is no surviving widow or child. Under this Senate provision where there was no surviving dependent parent, surviving dependent brothers and sisters may succeed to such miner's benefits. On the basis that the conferees did not wish to make the black lung benefits payments provision less equitable than State workmen's compensation laws, the House conferees receded to the Senate with an amendment that in order for such class of beneficiaries to qualify they must have been wholly dependent on the miner and not just receive one-half of their support from the miner for at least 1 year prior to his death as provided in the Senate amendment, and further—must have resided in the miner's household for 1 year prior to the miner's death. The House amendment to the Senate provision further provided that in case of a surviving brother he would not receive benefits after the age of 18 and if a student after age 22 unless the surviving brother became disabled before the age of 18 or was disabled at the time of the miner's death. With respect to the case of a surviving sister or brother the House amendment to the Senate provision provided that no benefits would be paid to her or him if he or she married or received support from his or her spouse.

Inasmuch as the conferees determined that the objective of the Senate amendment to permit dependent children to file claims for augmented benefits in their own right could be achieved through appropriate regulations issued by the Secretary, the Senate amendment directly permitting this was deleted.

The bill that passed the House on November 10 required the elimination of the practice of offsetting social security disability insurance benefits of miners where the claimant also received black lung benefits. The Senate amendment by contrast limited such offsetting to 100 percent of former earnings. The House provision was directed at the administrative practice of interpreting the black lung benefits provisions as a workmen's compensation law when in actual fact the congressional history of the law itself did not support such a finding. The Senate receded to the House provision in this respect.

As I have stated, both the House and Senate versions of this legislation have provisions precluding the denial of a claim based solely on negative X-ray findings. These provisions address themselves to the problem posed by large numbers of miners who have totally disabling respiratory conditions or who died from such a condition but cannot establish by any degree of medical certainty that such condition was attributable to pneumoconiosis—even though their records indicated extensive employment in an underground mine.

In this connection, the Senate amendment to the House bill added a provision which established a rebuttable presumption of pneumoconiosis where a miner was employed 15 years or more in a mine where such miner has or had a totally disabling respiratory or pulmonary impairment.

Because of the difficulty of establishing precisely the existence or nonexistence of the disease, pneumoconiosis, by other than biopsy or autopsy, the House receded to the Senate with an amendment that in effect provided that such presumption shall not apply to part C unless all of the 15 years' employment in a coal mine occurred entirely before July 1, 1971. The significance of this date is that this is the date under existing law when coal dust particles in an underground mine must be reduced to the 3-milligram level, a level in which all of our present evidence indicates that the danger of contracting this disease will be eliminated.

Also adopted by the conference was a provision contained in the Senate bill but not the House bill that a miner is totally disabled when pneumoconiosis prevents him from engaging in gainful employment requiring skills comparable to his regular work in the mine.

A Senate amendment also altered the definition of pneumoconiosis to include sequelae of the disease. The Senate receded to the House on this point with the understanding of the conferees that in the administration of the program under existing law benefits are now provided for total disability due to the sequelae of pneumoconiosis.

The Senate amendments require that final regulations to part C to implement any amendments be promulgated and published no later than the fourth month following the enactment of H.R. 9212. The House bill did not contain any provision of this nature. The House receded with an amendment requiring publication no later than the sixth month following enactment.

In connection with the difficulties of establishing the existence of the disease, pneumoconiosis, to which I have previously alluded, the Senate had an amendment not contained in the House bill authorizing research facilities for the analysis, examination, and research related treatment of miners' occupational, respiratory, and pulmonary impairments. Such research, in my judgment, is essential if we are to be able to adequately treat and detect this disease at an early stage and make accurate medical determinations with respect to coal mine related respiratory diseases. Because the amendment had cost-reducing implications and because the amendment is essential to develop appropriate treatment of miners now suffering from this disease, the House receded to the Senate.

Also adopted in the conference was a Senate amendment requiring employers to provide medical benefits to employees under part C. Such a provision is required under State workmen's compensation laws. This provision was adopted by the House conferees.

Mr. Speaker, these are the major provisions of the conference agreement with the Senate, and in conclusion, let me leave these thoughts with my colleagues. The necessity for the legislation which we conclude today arises out of an effort to write into the law what we intended to do in the enactment of title IV of the Coal Mine Health and Safety Act of 1969. At that time I expressed, which thoughts were shared by many of my colleagues, the Nation's great debt to those miners who have supplied our vital coal at a cost that no man should have to bear by himself. That miners with the dreaded black lung disease should be forgotten by their Nation is intolerable. That present law is operating inequitably to deny benefits to disabled miners, their widows, their surviving children, and their surviving dependents is unfortunate and an administrative and legislative oversight.

No one can appreciate the years of sacrifice that these workers have extended in the interest of providing this Nation with essential energy sources in times of urgent national crisis and in times of expanding domestic need—unless one has, as I have, gone into the underground mines and can appreciate the ardors of the miners' employment life. I urge my colleagues to join me today in overwhelming approval of the conference report which is just, fair, and consistent with the House action on November 10 in passing this legislation by the vote of 312 ayes to 78 nays.

Mr. Speaker, in bringing back this conference report today on H.R. 9212, the Black Lung Benefits Act of 1972, Members of this body, the Nation, and disabled coal miners owe a deep debt of gratitude to the many legislators who have worked long and diligently to make title IV of the Coal Mine Health and Safety Act of 1969 equitable and just.

In this vein, I wish to extend my deep and sincere appreciation for the diligent work of the gentleman from Pennsylvania (Mr. DENT) who chaired the subcommittee in which the legislation which I introduced was originally considered, to the members of that subcommittee, Mr. HAWKINS, Mrs. MINK, Messrs. BURTON, CLAY, GAYDOS, FORD, BIAGGI, MAZZOLI, PUCINSKI, BRADEMAS, ERLENBORN, BELL, ESCH, LANDGREBE, HANSEN, STEIGER, and KEMP, and to the many Members of this body who provided helpful information and strong support in its passage.

Mr. ERLENBORN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I rise in opposition to the conference report, H.R. 9212. As may be noted by the Members, the three Republican conferees, the minority conferees, have not signed the conference report, and we do oppose the adoption of the conference report, as we opposed passage of H.R. 9212 in the House.

Mr. Speaker, I do not suppose there are many issues that come before the

House with the kind of emotionalism that is endemic to this type of legislation. A few years ago, as a result of an unfortunate coal mine disaster, there was great impetus given to the passage of coal mine safety legislation, and concurrently with that attention was called by coal miners, ex-coal miners, and by the press to the problem of those who suffer from pneumoconiosis or black lung disease. Consequently the two were tied together in the Coal Mine Health and Safety Act.

Coal mine health and safety, of course, we are all for. To make the mines more safe and more healthy for the coal miners was and is imperative. But with the passage of that act we also enacted this new program for the compensation of those who suffered from pneumoconiosis. At the time we considered that, it was stated that this would be a temporary responsibility of the Federal Government. Compelling arguments were made that it would be impossible to assess the cost of those benefits to the various employers of coal miners who may have been working in the coal fields for the last 30, 40, or 50 years.

It was argued that time must be given to the States to allow them to amend their compensation acts to cover pneumoconiosis, but we were assured that this would be just a temporary Federal responsibility to pick up the backlog. That bill provided, that as of January 1 of 1973, the States through workmen's compensation and more importantly the employers, the coal mine operators, would then take on the burden of compensating those who suffered from this occupational disease, as do most other employers, through State workmen's compensation, bear the burden of compensating those who incur diseases as a result of their employment.

There was unfortunately an inadvertent oversight in the drafting of that act a few years ago. We extended compensation to the totally disabled miners, and we extended compensation to his widow should he be deceased, and we increased the compensation for the miner or for his widow to take into account the minor children or dependent children that they have to support, but unfortunately, we overlooked the case where both the coal miner and his widow may be deceased, and there would be dependent children who should be eligible for these benefits, but they have no mother or father receiving benefits, and under the act that is the only way they can get the benefits. This was an unfortunate oversight.

Then last year, when the gentleman from Kentucky introduced a bill to extend the benefits to the so-called double orphans, I immediately agreed this was the only fair and equitable thing to do, but unfortunately this necessity of covering the double orphans has now been used as a vehicle to extend the Federal responsibility, and thereby remove that operator responsibility for lifetime benefits for coal miners who qualify for benefits in the next 18 months.

Mr. PERKINS. Mr. Speaker, will the distinguished gentleman yield?

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

Mr. PERKINS. First, let me state when I reintroduced this bill, this H.R. 9212, as I recall, not only did we take care of the double orphans, but also we endeavored to eliminate other inequities in the same piece of legislation. We were prompted by the fact that in some areas 75 percent of the claims may have been paid, and in other areas, 75 percent were denied. In order to provide a sufficient period of time to eliminate these inequities we postponed the State takeover and extended the Federal responsibility for 2 additional years.

So the original bill had in it postponing the State takeover for 2 years in order to do equity to these diseased coal miners who had been discriminated against by earlier construction of the act. In addition, the States had not made the necessary arrangements to assume this responsibility, it would have been folly for the Committee on Education and Labor to stand idly by and let a situation of this type develop without extending the Federal responsibility to make sure that justice was administered to those in reality disabled from black lung. The 2-year extension was, therefore, no afterthought.

Mr. ERLENBORN. I thank the gentleman for his contribution.

The gentleman has just repeated what he said on the floor before, and I can only answer as I answered before, that anyone who filed a claim under the act as it is today and felt he was improperly treated, had his right to appeal, and that was not affected and would not be affected by the extension of the Federal responsibility.

I might call attention to a communication I received from the Department of Health, Education, and Welfare, the Social Security Administrator, Robert M. Ball, in January of this year, in which he addressed himself in part to this question of claims that were denied. He says:

> About 160,000 claims have been denied because the evidence did not show that the requirements of the law were met. About 100,000 of those denied have thus far requested reconsideration of their claims. Over 60,000 reconsideration decisions have been completed and every effort is being made to speed up final decisions on the remainder, consistent with assuring full reexamination of each applicant's claim.

Anyone who felt aggrieved by denial of his claim had these appeal rights. The appeals were being processed.

Extending the Federal responsibility has no effect on those people who had their claims denied. It is those who will file claims and have claims approved after January 1, 1973, for the next 18 months thereafter, who will become the lifetime responsibility of the Federal Government. They should be the responsibility of the coal mine operators, just as other businesses pay for the costs of accidents and industrial diseases suffered by their employees.

This bill can only be described as a bailout for the coal industry. It is relieving them of the burden of paying hundreds of millions of dollars—in fact, billions of dollars that they otherwise would have been required to pay.

Let me call attention to a memorandum dated May 3 from the Social Security Administration, Lawrence Alpern, Deputy Chief Actuary. In this he tells us the cost of this conference report that is pending and on which we will soon be able to make a decision.

The SPEAKER. The gentleman from Illinois has consumed 10 minutes.

Mr. ERLENBORN. Mr. Speaker, I yield myself an additional 5 minutes.

Over the period of 1972 to 1981 the Federal share of the cost of this bill, over and above the present cost of legislation on the books, will be $4,215 million.

The coal mine operators under this bill, when they take the responsibility under part C, will have some $2 billion. There are some negative figures in this chart, which indicates the amount they are being specifically relieved of under the cost they would have borne under the present legislation.

So it is quite clear that some $4 billion will come out of the Federal Treasury that would not otherwise come out of the Treasury as a result of the passage of this bill, and a good part of that is money to be spent out of the Treasury that otherwise would have been spent by the coal mine industry. We are bailing them out. That is all we can say about this bill.

In addition, we are also changing the ground rules for determining who should get compensation. It was quite clear we intended to give compensation to those who suffered from pneumoconiosis. That was described and defined in the bill. Now, because there are those who have claims denied, who cannot prove they have the disease, this conference report would impose on the administration of this act a presumption that anyone with any difficulty in breathing, any respiratory ailment, who worked in a coal mine for 15 years, has pneumoconiosis. It is a rebuttable presumption, yes, but how rebuttable? The only way medically one could rebut it is by the use of X-rays that have no showing of pneumoconiosis, yet this conference report before us rules out the use of the X-ray as a means of disproving that the person has pneumoconiosis.

In effect, by adoption of this conference report, should it become law, we will be extending benefits to anyone who worked in the coal mines who has a respiratory ailment whether or not he has pneumoconiosis.

Throughout the conference report the bill passed by the House—and it was a bad bill—was made worse by adoption of the Senate provisions.

Amendment No. 32. The House bill required the eliminating of offsetting social security disability insurance benefits of certain miners. It has no limitation. The Senate put in a 100 percent limitation.

What does this mean? Under the present act anyone getting pneumoconiosis compensation is treated the same as one getting payments under State workmen's compensation. If they are entitled also to social security disability, the social security disability payments are reduced to take into account the fact that they are getting pneumoconiosis benefits. The House bill would have removed this limitation entirely. The Senate bill was at least somewhat more reasonable. It said the combination of pneumoconiosis

benefits and social security disability benefits should total no more than 100 percent of what the man was making when he was employed full time.

Now, that does seem fair, does it not? Let the man get compensation equally to what he was earning when employed full time. Was the conference satisfied with this? No. They took the limitation off so that the one getting the compensation may get more than he got when he was employed full time.

Why, I ask you, should the man get more in compensation than he got when he was employed full time? Yet that is what the conference decided we should do.

Mr. PERKINS. Will the gentleman yield to me?

Mr. ERLENBORN. The gentleman has his own time. Mine is restricted. I am afraid I cannot yield.

The term "total disability" has been redefined as a result of the action of the conference, but it is not redefined in the same way as defined for the administration of the Social Security Act in their disability compensation. We have made it more liberal for the coal miner.

I might ask you, as I did before when we were considering the bill on the floor of the House, what equity is there to the coal miner who has a broken back as a result of a roof fall and is totally disabled getting less in compensation benefits than his fellow worker who has difficulty breathing because of pneumoconiosis? And yet that is the result of this conference report.

The SPEAKER. The time of the gentleman has expired.

Mr. ERLENBORN. Mr. Speaker, I yield myself an additional 5 minutes.

In addition to that, Mr. Speaker, in resolving the differences, as I have mentioned, we have extended the definition so that it will include for all intents and purposes all disabling respiratory and pulmonary impairments and not just black lung disease.

We have eliminated, as I mentioned, the X-ray as the sole means of rejecting a claim. The weight of the medical evidence is, short of a biopsy or a postmortem, you have to develop it through the use of the X-ray in diagnosing the disease.

We have invaded again, as our Committee on Education and Labor has so often done, the jurisdiction of the Committee on Post Office and Civil Service. We are in this conference report mandating a rate for hearing examiners under this procedure of GS–16. As I understand it, that is even higher than other hearing examiners get doing similar work.

We have an open-ended authorization, as was contained in the Senate bill, and the House again receded to the Senate for an open-end authorization for title IV of the bill.

Mr. Speaker, in sum, what we have done is to take a bad bill as it passed the House and made a worse bill out of it.

We have extended the benefits to those who do not have the disease that we meant to compensate. But the most important thing, I think, is we put an unconscionable burden on the Treasury of the United States to make these payments which when they are made should be made by the coal mine industry.

I was sad that in the House consideration of this bill the leaders of that industry did not join in with their voices in opposing this legislation. They did not because they were getting a 2-year bailout. They were saving billions of dollars as a result of the Federal Treasury taking a responsibility which was rightfully theirs. As a result of the conference report, this is still true.

Now, they were a bit worried. The Senate went a little bit farther than the House did. It looked like they would be under the same burdens as the Federal Treasury when we used the presumption that any man working 15 years in the mines would be presumed to have the disease if he had a pulmonary impairment. It was strange to see some of our friends in the conference scramble for a while in order to try to help the industry out on this phase, and they did. We do not use the same presumption for the coal mine operator as we do for social security when we are making payments out of the Treasury.

So, we have sweetened this up a little more for the coal mine operators by giving them a little less of a burden when it becomes their responsibility.

Mr. Speaker, this is a bad conference report. It represents an unconscionable raid on the Treasury of the United States. It is unfair to others engaged in work in the coal mining industry who have suffered injuries and disability but who are entitled to equity.

It is, really, the first step, as I said before—and I am more convinced now—toward a Federal takeover of workmen's compensation which has worked well as a State-operated compensation system.

Mr. Speaker, I reserve the balance of my time, and ask for the defeat of this conference report.

Mr. DENT. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. KOCH).

CLOSING OF THE HOUSE GALLERIES TODAY

(Mr. KOCH asked and was given permission to proceed out of order.)

Mr. KOCH. Mr. Speaker, I would like to pose a question to the Speaker.

This is my fourth year in the House and during all of that time we have had a number of problems, but we have never, to the best of my knowledge, closed the public galleries.

I am distressed today that the public galleries have been closed.

I ask the Speaker whether he would not direct the galleries to be opened.

If there are people who engage in behavior that cannot be tolerated, I assume the Capitol police are capable of handling such a matter.

The SPEAKER. Is the gentleman making a parliamentary inquiry?

Mr. KOCH. I am, Mr. Speaker.

The SPEAKER. The Chair will read the rule to the gentleman:

> He, being the Speaker, shall preserve order and decorum and in case of disturbance or disorderly conduct in the galleries or in the lobbies may cause the same to be cleared.

The Speaker has received information from what he regards as responsible authorities, including the Capitol police, that there is danger of disturbances and recommends that the Chair not permit the galleries to be opened for the time being.

The Chair reluctantly accepted this advice.

Mr. KOCH. I respectfully ask the Speaker to reconsider this. I do not think it is helpful to the House to close the galleries.

The SPEAKER. The Chair has answered the gentleman's question.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Speaker, in 1969 Congress took the sorely needed first steps toward recognizing black lung disease as an occupational disease and providing for compensation to diseased miners and their widows. Title IV of the Federal Coal Mine Health and Safety Act of 1969 has as its purpose the elimination of the threat of black lung as well as to provide benefit payments and minimum compensation standards for miners and their widows who had been totally disabled by black lung disease. But during the 2 years since the passage of the Coal Mine Health and Safety Act of 1969, shortcomings of title IV have become obvious.

The current law, while providing for claims based on totally disabling pneumoconiosis as diagnosed by use of a chest X-ray is insensitive to the fact that the miner is easy prey for other respiratory ailments which may be brought on by his working conditions. H.R. 9212 returns to the original intention of the 1969 act to recompense the totally disabled miner for mine-related disease by recognizing other forms of respiratory disease besides black lung as cause for disability under certain conditions of employment.

In addition, this act of 1972 recognized the inadequacy and injustice of the present tests for the existence of black lung disease and the tests which determine if a miner is totally disabled. Experience has proven that a single roentgenogram does not always detect the existence of black lung—especially if the disease is in its early stages. As of April 30, 1971, 58 percent of miners' claims nationwide had been denied on the basis of this often inconclusive diagnostic tool, a single chest X-ray.

The tests used to determine degree of disability are unjust and are not particularly suited to black lung disease. One-third of the black lung claims are denied because total disability was not proven by a test which measures the ability to breathe air into the lungs, while the problem created by black lung is not inability to inhale, but the inability to transfer oxygen from the inhaled air to the blood.

H.R. 9212 would alleviate these shortcomings of title IV by prohibiting the denial of a claim solely on the basis of an X-ray, and by assuming the presence of pneumoconiosis in a person who has worked 15 or more years in a coal mine and has respiratory or pulmonary disability. The bill also calls for the modification of the definition of total disability to permit claims upon an inability to work at a mining job in which the miner

was employed over a substantial period of time.

Besides this expansion of coverage, H.R. 9212 seeks to expand compensation eligibility to orphans of deceased miners as well as to dependent parents, brothers, or sisters, and to allow a widow to claim benefits if her husband was totally disabled by pneumoconiosis at time of death, even though it may not have been the cause of death.

As originally conceived, title IV provided for a shared responsibility of bearing the cost of paying benefits. Full Federal responsibility for new claims now must be extended. At the time the bill was being considered, the estimate of the cost of these provisions to the Federal Government ranged from $4 to $100 million per year. But experience has proven the actual cost was grossly underestimated and actually approaching $500 million per year—five times the highest original estimate. Because the incidence of the disease is much greater than previously thought and the cost proportionally greater, and because of the expansion of coverage provided for in this bill, it is right that the dual responsibility for payment by industry and Government be adjusted so as to remain equitable and to provide necessary additional time for the States to provide for an adequate workmen's compensation system.

In consideration of the improvements which this bill would make on the Federal Coal Mine Health and Safety Act, I urge the House to approve this bill and provide our miners and their dependents the compensation to which they are entitled. The 1969 act was a start, but because of its flaws it should not stand also as the end product. We must recognize its shortcomings and act to correct them by passing the conference report.

Mr. DENT. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Speaker, this is an historic occasion, believe me.

My grandfather, God rest his soul, and my father, God rest his soul, were in touch with their Congressmen years and years ago on this very question.

This is not something thought up all of a sudden.

This is no attempt to harangue or raid the Federal Treasury because of some long-haired character with a gimmick; indeed not.

Mr. Speaker, unless you are born and raised, as I have been in the anthracite coalfields of Pennsylvania and as the gentleman from Pennsylvania (Mr. DENT) has been in a soft coal—the bituminous mining area—or the hard coal, the anthracite mining area, you are not able to completely understand the problem. We are not sure that bituminous is even coal, but I will be kind today, but for the purpose of this debate it is coal. We never always wore shoes in the coal fields. We were born and raised in these areas and we know this problem from long sad experience.

Mark this. The gentleman who just left this well indicated or tried to say that this is a boon for the operators; this is a gesture to help the coal operators.

You go to any barrom, church, picnic, or corner store in my district or Mr. DENT's district or Mr. PERKINS' district and try to tell them that PERKINS, DENT, and FLOOD are down here as mouthpieces for coal operators, they will say you are out of your cottonpicking mind. Imagine! They have been against this for a hundred years. Imagine us being any mouthpiece for the coal companies and you are crazy. This will help people who cannot assume the burden of proof.

The opponents say let them prove they have black lung, or if they are dead, let their widows prove that they died of black lung.

They demand: Where is the evidence? Where are the hospital records? Where are the X-rays, huh? "OK, prove it and we pay it."

Dear God.

You should have seen those hospitals, or the things that went by the name of hospitals, and the doctors who were on the company payrolls going around with a horse and buggy. What records? What evidence? Those doctors did not keep records even of the feed they gave to their horses, let alone the kind of records demanded by social security, and the experts today of evidence of what we in the hard coal fields then called miner's asthma, or hard coal asthma, better called black lung today in both the hard and soft coal fields.

Records? X-rays? There are doctors who are members of the medical profession in this House who will tell you—and I am not an amateur on X-rays myself, God forbid, and I am sure that you know, that in England, Germany, and Japan—in fact, all over the world it has been established in these countries X-rays do not conclusively show this condition. And we have thousands of cases paid out by social security with additional letters submitted and additional evidence when available where the X-rays are not infallible, they are not the sole and infallible proof.

This is unfair. This is not right medically, historically, or any other way; they must have a chance to present additional evidence other than a mere X-ray about these difficult conditions.

That is all this bill does on this point, permits additional evidence, nothing else.

And then over the years, the other lung conditions, emphysema and heart condition—why, the death certificates say in thousands of these cases, "heart condition." The guy's heart stopped.

Now, is that not something? His heart stopped, and he died. Is that not extraordinary? But the hospital records and the death certificates say "heart attack, heart attack." That is the end of that.

How silly can you get? He died, his heart stopped. Yes, he died from the heart stopping, but did you ever see some of these people try to breathe? You should be in my neighborhood. Men who went to high school with me who worked in the mines—and I never worked in the mines, I worked outside as a track layer—but I have seen them spit out their guts and die because they could not breathe—sure their hearts stopped.

This is historic. My congratulations to the committee, to the Senate, and to this House.

Mr. Speaker, the conference report to accompany H.R. 9212 which comes before this body today is nothing less than historic, and I would maintain that it brings benefits not only to those long-suffering coal miners and their families, but to the entire Nation.

In supporting this conference report, I am thinking not only of those miners disabled by "black lung." I am thinking not only of those who are made widows and orphans at an early age. But rather I am thinking of all of us who use the products of their labors underground. When we turn on a light, when we need medication, when we forge steel, when we do a thousand other things derived from coal, we should keep in mind that these miners deserve the full measure of equity under the law that is possible—Mr. Speaker, I am convinced that this measure before us today provides that "full measure of equity."

When the provisions of the bill before us today are closely examined, it is clearly shown that progress has been made in the light of more than 2 years of experience in providing benefits to disabled miners and relief to their families. With the adoption of the following provisions, those benefits will be more just, and the relief more complete:

First, by broadening the definition of disability, the bill recognizes the debilitating nature of black lung disease. Many times I have seen men out of work because they could not catch their breath, even while sitting down—yet under the law as it now stands they are not classified disabled—this must end.

Second, the bill will eliminate the X-ray as the sole test of whether a victim has pneumoconiosis. It has long been shown by medical authorities that the X-ray is not infallible and indeed it is usually inaccurate when it comes to detecting early signs of the disease. I have seen men who worked as miners in the dustiest part of the mine for many years, and who were hardly able to move about from black lung—yet under the law as it now stands, their negative X-ray excludes them from the benefits of the law—this must end.

Third, the bill will presume a miner to have pneumoconiosis if he has worked in the mines for 15 years and after that period of time is shown to be disabled from a pulmonary or respiratory disease. I have seen men who worked in the mines for 30 years—and many of those years at the "face" which is the dustiest part—and who took one-half hour to climb a flight of steps—yet under the law as it now stands, there was no assumption that they were suffering from the disease—this must end.

Mr. Speaker, by the adoption of this conference report today, no longer will we throw the burden of proof upon the miner who has had his life and, in most cases, his lungs impaired by his work. Now is the time to give the miner a fair hearing and due process in the filing of his claim. The sole object of the bill in this broadening of the law is to give each and every coal miner fair judgment on whether or not he did in fact suffer from this disease.

Furthermore, by extending coverage to orphans and in certain other cases dependents, this bill recognizes what those of us who live in coal mining areas have known for a long time—black lung disease takes the lives of miners at an early age. By demanding fully equity for these men, we must provide full protection to their families.

In conclusion, I would like to thank the distinguished gentleman from Kentucky (Mr. PERKINS) the chairman of the Education and Labor Committee as well as the gentleman from Pennsylvania (Mr. DENT) the chairman of the Subcommittee on Labor for their consistent hard work and judicious consideration of this bill. I have worked with them for years, every coal miner and their families also thank them as they will us for the adoption of this conference report.

Mr. DENT. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BURTON).

Mr. BURTON. Mr. Speaker, we have all heard much of this debate in the three previous times this House has voted on this measure. We are all aware of the enormous contributions made by the distinguished chairman of the Committee on Appropriations on Labor, Health, Education, and Welfare, our distinguished colleagues, the gentleman from Pennsylvania (Mr. FLOOD) who has effectively assured that the policy of this House was fully funded by this subcommittee, the full committee, and the Congress.

We are aware of the enormous concern of the gentleman from Kentucky (Mr. PERKINS) the chairman of our full committee, and the gentleman from Pennsylvania (Mr. DENT), the chairman of our subcommittee, to see that all of these lung functions having to do with work in the coal industry be given some rcompense for having acquired this dread disease. And the performance of the gentleman from Pennsylvania (Mr. DENT) in the entire history of this law has been nothing less than incredibly exemplary. He has been a veritable mountain of strength and forcefulness for the coal miner and his family.

Mr. Speaker, we are really painfully reminded of the stubborn and willful continued opposition of our ranking minority member. But this legislation is beyond all that and has passed continually with bipartisan support, and it will pass again today because the legislation has merit,

It was our colleague, our ranking member on the subcommittee, the gentleman from Illinois (Mr. ERLENBORN) who just a few years ago supported legislation suggesting that the Federal Government have 7 full years of full responsibility. He remembers that. I remember that. Maybe most of us have forgotten it. Perhaps he did it for a ploy. Perhaps he did it because he meant it—but he did do it.

Mr. Speaker, I take it if the gentleman from Illinois was serious to us that we should get into the business of helping industrial accidents like broken backs and roof falls—but if the gentleman is serious, I will join with him on an amendment to move into the workmen's compensation field.

The long and short of it is that this bill is a midpoint and very essential between the House-passed bill and the Senate-passed bill. It was signed by most, if not all, of the Senate conferees and by an overwhelming majority of the House conferees. It is going to be approved by an overwhelming majority of this House.

Mr. ERLENBORN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SAYLOR).

Mr. SAYLOR. Mr. Speaker, I rise in support of the conference report on H.R. 9212, the Black Lung Benefits Act of 1972. This act will provide for the correction of several serious deficiencies in the Federal Coal Mine Health and Safety Act of 1969. Public Law 91–173 was signed into law on December 30, 1969 with the primary purpose of protecting the health and safety of the Nation's coal miners. Title IV of the act is entitled "Black Lung Benefits" and deals with the provision of benefits, in cooperation with the States, to coal miners who are totally disabled due to black lung disease and to their surviving dependents. While it was the intent of Congress in enacting the Coal Mine Health and Safety Act, and particularly with regard to title IV of the act, to attempt to provide some belated recognition of the terrible cost to miners' health as a result of years of mining, we have learned in the past 2 years that a number of problems have adversely affected this intent.

First, we have learned that we seriously underestimated the extent of black lung disease within the population of the miners of this country. Original estimates have been exceeded almost fivefold. This has produced some problems in the processing of claims and has had some effect on the completion of the task of determining eligibility and for shifting responsibilities to industry within the time frame originally specified.

Second, we learned that the provisions which were intended to provide benefits to disabled miners are not being provided to about half of the miners and their dependents who have filed claims for benefits. This disparity in the assignment of benefits seems to be at least partially due to the difficulty which many miners or their dependents are having in providing the necessary proof of the cause and extent of disability. There seems to have been too much dependence during the processing of claims upon the admittedly less than foolproof X-ray determination of the degree of lung impairment. There has been sufficient attention given to the evidence of prolonged unemployability, family doctor's records, and local witness statements regarding a claimant's extent of disability. There has been particular difficulty on the part of dependent's claims when records of the death of the spouse are not adequate to furnish specific data on the extent of black lung disease. I am sure that you realize how difficult it must be to try to reconstruct a health record within families where the visit to a doctor is an uncommon event. Testimony given at the various hearings on H.R. 9212 continues to emphasize the pride of work evidenced by the coal miners of this Nation. These men only quit when they are physically unable to work. To disregard the record of disability and unemployability solely on the basis of a specific size of a mark on an X-ray is to deny the facts of life in a coal miner's work environment. The decision to award benefits should be realistically based upon a composite of factors derived from detailed examination of the occupational history, clinical examinations, employability, and with the X-ray use as a guide during the interpretation of the preceding forms of evidence.

Third, in the act of 1969 was the provision which resulted in an interpretation that benefits could only be paid to miners or to their widows. The surviving children have no basis for claim for benefits. H.R. 9212 provides for a correction of this deficiency by providing for benefits for dependent children or for dependent parents, brothers, or sisters; however, it would have been a better bill had the committee written an age limitation for brothers and sisters.

We have come a long way in the past 2 years but the problem of improving the environment of the working coal miner and assisting in his care after disablement is not completely solved. We have a commitment, enacted in law, to assist the miners of this country. Progress is being made toward the improvement of the work environment. We need to insure that some comfort is provided for the disabled miners in return for their sacrifices in securing vitally needed fuel resources. We need to insure help for the disabled miners in the care of their dependents who also suffer when the miner is disabled from an occupationally derived respiratory impairment.

H.R. 9212 will correct these serious deficiencies in existing law. By extending full Federal support of benefits, the miner will have assurance of continuing benefits and the States and industry will be better able to assume their responsibilities for providing benefits. The bill will provide statutory authority for the utilization of all relevant evidence submitted by the claimant and will include the provision that no claim for benefits under the bill shall be denied solely on X-ray. Since tests of a desirable accuracy are not available for the determination of the degree of impairment due to black lung or other occupationally derived respiratory disease, the bill also authorizes the Secretary of the Department of Health, Education, and Welfare to develop tests and devices as necessary to detect and evaluate pulmonary and respiratory impairment.

The Secretary will also be authorized to construct clinical treatment facilities for miners with lung impairments.

In response to recommendations from several sources the bill will also protect the miner against discrimination in employment as a result of pneumoconiosis. In addition, the bill also provides for several improvements in administrative procedures and extends benefits to surface coal miners under certain circumstances.

I think that all of these changes are necessary and are actually a clarifica-

tion and refinement for the most part of the original intent of the act of 1969. As with most complicated and innovative legislation, application frequently reveals deficiencies and amendment is required to insure equitable achievement of objectives. H.R. 9212 provides for the changes necessary to provide benefits to the coal miners of this Nation and to their dependents. I urge you to approve this bill.

Mr. ERLENBORN. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, at the time that this House passed the Coal Mine Safety Act, I was one of those who was a part of the effort on both sides of the aisle in wanting to insure that pneumoconiosis should be compensated.

That black lung provision was retained and the provision is now a part of the law of the land. Thus, black lung compensation is not the issue here.

I served as a conferee on this bill, H.R. 9212, on the question of what to do about extending black lung compensation, and I did not sign the conference report. I did not do so, I must say in all honesty, reluctantly because there is no question that the eloquent gentleman from Pennsylvania (Mr. FLOOD) portrays well the suffering of those who have this disease.

But, I think there are on balance substantive questions which can and should be raised about the wisdom of the House extending, as this legislation does, the Federal responsibility. It is for an 18-month period. The Social Security Administration estimates in the period from 1972 to 1981—$4 billion plus for part B in terms of cost to the Federal Government and slightly over $2 billion for part C.

I am fearful that when the 18-month period expires we may find States and industries and coal miners back here asking for a further extension of the Federal responsibility.

The House bill provided 2 years and the Senate a year and thus the 18-month extension is at least superior to the House bill.

But even with that, I think it would be inadvisable for the House this afternoon to adopt this conference report.

There are two other questions which legitimately can be raised about this legislation. The first is that which was mentioned by the gentleman from Illinois in his remarks which, in effect, is that the other body receded and accepted the House version on the limitation of payments. The House had an opportunity when it considered the bill to adopt the amendment offered by the gentleman from Wisconsin (Mr. BYRNES). It turned that amendment down. It should have adopted that amendment.

But the conference committee I think made a mistake in not adopting the Senate provision. I am sorry the Senate receded. The result is it is possible for an individual to be compensated at a rate higher for disability than he could earn when he is working in a coal mine.

The other question, of course, is that which relates to the definition of disability and the extension of that definition. I am fearful it will establish a precedent which will haunt this House in later years when we get into questions such as brown lung rather than just black lung. And just as sure as we debate and argue about this conference report today there will be pressure on the part of many in this body on behalf of their constituents who consider themselves to have a disease every bit as serious as pneumoconiosis and come here and press their cases on an equity basis. I am afraid that equity does not rest with this conference report. Therefore, I reluctantly did not sign it, and I urge a vote against adoption of the conference report.

I yield back the remainder of my time.

Mr. DENT. Mr. Speaker, I yield myself 7 minutes.

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

Mr. DENT. I am happy to yield to the distinguished majority leader.

Mr. BOGGS. Mr. Speaker and Members of the House, I take this time to commend the gentleman from Pennsylvania, the gentleman from Kentucky, the gentleman from California, and all the others who worked on this legislation. As the gentleman from Pennsylvania (Mr. FLOOD), said earlier, this is indeed a historic piece of legislation, and I hope that the House will adopt it by an overwhelming vote.

Mr. DENT. Mr. Speaker and Members, I do not intend to take any time to try to prove or convince the House that this is a worthwhile piece of legislation. The House itself declared that to be a fact when it passed this legislation with such an overwhelming vote. The arguments today should be on those particular points that have been raised as to whether this legislation goes beyond that which the House considered.

The only points that are in question are those related to the issue of cost. The same social security office which gave the figures to my worthy opponents on the other side, of $4 billion for one section of the bill, which would be part B, and between $2.5 and $3 billion for part C, just 3 weeks ago, issued an earlier estimate in which they had $7,600,000,000 for part B alone. We now have five sets of estimates from the very same office, signed by the same individual. That is the same group which gave me the estimate of $40 million when the first bill was passed.

If you remember, I said to you, "This is an estimate from the social security office contained in a letter to Congressman DOMINICK DANIELS of $40 million." At that time I made you one promise. I promised this House that if we would pass that bill and keep in the bill the criteria for dust a maximum of 2 milligrams, effective 1972, December 1, that we would eradicate the cause of black lung. We have reached a 3-milligram level in 85 percent of the mines in this country, over the opposition of the operators and over the opposition of experts, and in 75 percent of the mines we have reached a 2-milligram level.

I said to you that as the years went by there would be a diminishing cost. And what is the record? What is the diminishing cost? We have here a set of records that will, I am sure, prove my promise to this House. This is also from the same office. This year the estimate is that in 1973, $989 million in benefits will be paid under the provisions of this act.

And, then it reduces. In 1974, it is estimated to be $441 million, and on down to the end of the legislation in 1981 when the estimated cost is $300 million, or exactly one-third of the cost for 1973.

Why is this? As I told the Members when I begged Congress to pass the legislation but not to pass the black lung benefits unless also we passed the dust levels, it is because I wanted to make sure we would have no new cases of black lung in this country, and we will not have any new cases of black lung. The only cases that will be paid for will be those which have been contracted in the dusty mines prior to the 1971 3-milligram dust standards.

In the foreseeable future there will be no more payments, and there will be no more black lung; and this is possible because the Members of the House believed me when I appealed to them to make it a Federal responsibility, because there is no way we can make this an operator responsibility.

A period of time is required for pneumoconiosis to develop into fatal injury. In almost every coal area of the country the miners move from one town to another and from one mine to another. There is no place where we can put the responsibility. That is why we are giving 18 more months in which to decide how many more miners will come under the act.

Why do we do that? We do it for the simple reason that under the old rules which prevailed in the coal mining towns, the only doctor available was the company doctor, and the companies refused to admit or to recognize such a thing as a respiratory disease contracted in the coal mines. So in every coal mine death prior to 4 years ago, when the States of West Virginia, for instance, and Virginia and Kentucky, and about 8 years ago the State of Pennsylvania took action, it was ruled that every coal mine death was either pneumonia or emphysema or heart condition or heart attack or something entirely removed from any kind of association with coal dust.

So we say in this law that any miner who worked 15 full years in a coal mine prior to June 30, 1971, and has a pulmonary or respiratory disability, is presumed to have had black lung. However, it is a rebuttable presumption. If he claims black lung and if it is shown there is no connection between his disability and his work in the mine after other examinations and evidence, then it is shown that he has no pneumoconiosis.

What we are saying is that over 50 percent of these miners have been turned down, including the widows. Let us take a few practical cases. Mr. Jones worked in the mines for 39 years. He is dead. Mrs. Jones claims compensation as his widow. She is turned down, because Mr. Jones is supposed to have died from an attack of pneumonia.

Now Mrs. Smith's husband worked in the mines 37 years, in the same mine.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, I commend the gentleman from Pennsylvania for the statement he is making on black lung and for his work on black lung.

Mr. DENT. So Mrs. Smith, whose husband worked in the coal mine 37 years died in a city away from the coal mining community, and his death certificate states he died from a pulmonary disease. So we are saying it was impossible for a miner to work 37 years in a coal mine in the predust standard days not to be afflicted with pneumoconiosis.

The English, with 30 years of records, have said that no miner could work 25 years in a mine without having pneumoconiosis or black lung.

So we had to take the body of knowledge from the English. In the first bill I made it a rebuttable presumption of 10 years. They have turned down some 50 percent. So we only extended it to cover the same body of people we had covered before and for the same reasons.

I beg the Members to give support to this legislation. I would now like to go into a rather comprehensive and cogent presentation of the conference report.

Mr. Speaker, I join my distinguished colleague from Kentucky today not only in speaking in favor of the conference report on H.R. 9212, the Black Lung Benefits Act of 1972, but also in emphasizing its importance to all miners and their families throughout this great Nation of ours.

At the outset, I want to commend the chairman (Mr. PERKINS) for the exemplary job which he did in conference to develop a fair and equitable compromise with the conferees of the other body. Might I also laud our counterparts there as well as conferees on our side who supported the position of this body. I believe it is a job well done, a job which will withstand the test of time.

This legislation is considered requisite not only by the conferees but by both Houses of Congress. In this context, let me review the voting. The House passed its legislation by an overwhelming 312–78 vote on November 10, 1971. Our colleagues in the other body unanimously passed their amendments 5 months later by a 73–0 vote. The conferees, realizing the overwhelming need for this legislation, worked hard to set aside personal differences and the differences in the two bills to get a fair and equitable compromise and it was done in 2 days. In turn, the other House immediately passed the conference report, doing it by another unanimous vote—this time without even the formality of a rollcall. I find it hard to imagine that the House of Representatives can do anything less, realizing that the miners of America desperately need this legislation.

Why do they need it? Simply, these miners, their widows, and their orphans need this bill to bring justice and equity to a law which, for all its merits, unfortunately does have flaws. After 2½ years of experience with this law, we feel that we have been able to pinpoint those legislative and administrative weaknesses and provide amendments which make the essential improvement. And, might I add that we have seen the defects not through the eyes of the Federal Government but through the eyes of the miners and their widows themselves. We have seen it through the eyes of Mrs. Keroy Andreas from Luzerne County, Pa., whose husband spent 22 years in the mines and survived only by means of an oxygen tent, yet she cannot receive benefits; through the eyes of the 80-year-old West Virginia man who worked in the mines for over 35 years and is now bedridden and immobile, yet isn't considered totally disabled under the law; and through the now blank eyes of Charles Howell, who was twice turned down for black lung benefits but whose autopsy later showed that he did indeed have pneumoconiosis before he died.

If ever a bill came from the people, this one did.

And, we in the House of Representatives must not forget the people this bill will effect; we must not forget the human side of this long and, more often than not, poignant story. We must not forget how coal miners worked and literally died to provide the fuel so that this country might grow strong. We must not forget the misery and suffering that they and their families endured both during the time while they worked and the time while they slowly, painfully rotted away with the dreaded black lung. Since I have been in Congress, and long before, we have remembered the farmers, we have remembered the cotton growers, we have remembered the banks, the railroads, and so many others with large sums of money and legislation. But, only in 1969 did we remember the coal miner. Are we going to forget him now, now when we can help him just a bit more?

The conferees have agreed upon historic legislation, fair and equitable in every way. Before pointing out the major provisions of the conference agreement, let me say that all of the provisions embodied in the House bill are contained in the conference report in some form.

The House bill extended retroactive black lung benefit coverage to the orphan children of miners, thereby correcting a tragic oversight of title IV—"Black Lung Benefits"—of the 1969 law. This coverage is contained in the conference report.

The House bill permitted the Secretary of Health, Education, and Welfare to certify dependent benefits directly to dependents in those cases where the Secretary believed it was in the best interests of the dependents to do so. This provision is in the conference report.

The House bill applied certain procedures of the Social Security Act to the black lung benefits program, and these procedures are incidentally incorporated into the conference agreement.

The House bill required the elimination of the practice of reducing social security disability insurance benefits on account of black lung benefits, and this provision is contained in the conference report.

The House bill extended benefit coverage to surface coal miners, and the conference agreement retains that coverage.

The House bill prohibited the denial of a black lung claim solely on the basis of the results of a negative X-ray, and that prohibition remains in the conference agreement.

Finally, the House bill extended the black lung benefits program for 2 years across the board. The conferees agreed on an 18-month extension with regard to full Federal responsibility for claims, a 6-month "swing" period during which Federal responsibility is temporary, and the eventual termination of the program after 1981.

But there are often important provisions in the conference report, Mr. Speaker, provisions which were contained in the amendments made by the other body, and provisions which have great merit.

Total disability under existing law is determined according to regulations of the Secretary of Health, Education, and Welfare. As administered, if a disabled miner has the capacity to work at any job, no matter how menial or far away from his home, he is not now considered to be totally disabled, and is, therefore, not eligible for black lung benefits. Under the conference report, if pneumoconiosis prevents a miner from engaging in gainful employment requiring skills comparable to his work in a mine, he will be considered totally disabled.

One of the most prevalent complaints against existing law and its interpretation involved the inability of miners or their widows to establish the existence of black lung, even though the miner was clearly totally disabled or had died with the disease. The House bill, as I noted earlier, precluded sole reliance on the X-ray. The conference report, however, further provides that when a miner worked 15 years or more in an underground coal mine, or in comparable conditions on the surface, when such miner had a negatixe X-ray and when such miner had a totally disabling respiratory or pulmonary impairment, he is given the benefit of a rebuttable presumption that he was disabled due to pneumoconiosis. The agreement limits such claims under part C of the program to those in which the 15 years of employment took place prior to July 1, 1971—the date by which all coal mines were required to meet the 3.0-milligram dust standard prescribed by the Federal Coal Mine Health and Safety Act of 1969.

Existing law limits beneficiaries to miners, their widows, and children. The House bill, as stated earlier, extended benefits to orphans. The conference report further extends such benefits, where there is no widow or child who survive the miner, to wholly dependent parents. If there are no such parents, then benefits may accrue under certain conditions to wholly dependent brothers and sisters, if any.

Under existing law a widow, if she is to claim black lung benefits, must show that her miner-husband died from black lung or a respiratory disease. The conference agreement provides that a widow may also claim benefits if her husband was totally disabled by pneumoconiosis at the time of his death. Then, if the miner was so disabled, the widow may claim benefits regardless of the cause of death. This same provision is extended to claims by orphans.

Application of current law in effect

limits evidence which may be used to support a claim for benefits. The conference report requires the consideration of other evidence such as additional medical tests, affidavits, and clinical and work history.

The conference report also contains a significant provision that applies all sections of part B—Federal responsibility—including amendments to the act, to part C—State and operator responsibility—where such provisions may be appropriately applied. The part B provision relating to the social security disability insurance affair, however, is not applied to part C. And the application of the part B 15-year rebuttable presumption is applied to part C in the limited sense that it relates to situations when the work took place prior to July 1, 1971.

There are other provisions in the conference report, and I believe I have highlighted the major ones. Our final provision is of considerable significance, however, and that is the requirement that the Secretary of Health, Education, and Welfare notify all claimants under title IV of changes in the law and that their claims will be reviewed.

Mr. Speaker, there will be those who will oppose this legislation for one reason or another. But, they will be the same ones who have opposed it from the beginning. They are the ones who are callous enough to think in terms of dollars when the legislation is aimed at salvaging some small part of a human life wrecked by a terrible disease. They are the ones who say billions for defense, billions for farming, billions for industry—yet they refuse to allow a few dollars a month for a poor miner whose lungs are infested with black lung.

I have been in the little coal mining towns; I have seen the people there; I have talked with them. I know that no amount of money can fully compensate them for their suffering. Yet, the small sum which we can provide can help to ease their burdens.

And so, I ask you today to speed this legislation on its way to becoming law. We have remembered 164,000 miners and their widows to this date, but there are still those who have been denied, those who have claims as valid, as just, as deserving as the claims of those who are now receiving benefits. Lest we not forget them, we must pass the Black Lung Benefits Act of 1972.

Mr. Speaker, I would be remiss if I did not make special mention at this point—and in closing—of the tremendous contribution of the gentleman from California (Mr. BURTON), as always, he has devoted uncommon attention and concern to the plight of our Nation's coal miners and their families. And in doing so, he is justly entitled to the credit and gratitude he has been accorded.

Mr. ERLENBORN. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I rise in support of the conference report.

Mr. BEVILL. Mr. Speaker, I rise to offer my support for the conference committee report on amendments to the Coal Mine Health and Safety Act of 1969, title IV, the Black Lung Benefits Act of 1972.

I wish to congratulate and thank the conferees for the expeditious manner in which they handled this report and I must say that I am very pleased with the results of their efforts.

Mr. Speaker, it is my hope that the House will now immediately give approval to this important measure so that the President may sign it into law without delay. Enactment of these amendments will be a major step toward the resolution of an enormous debt which the people of this Nation owe to our coal miners who have been so important in the economic growth of our great Nation. Fifty-four percent of our energy comes from coal and its reserves are expected to continue to play a most important part in our energy needs for the next several hundred years.

One of the provisions of the compromise version which I especially favor is the provision which states that claims will no longer be turned down solely on the basis of a negative X-ray. This change will insure that all diagnostic tools, such as pulmonary function tests and others which may reveal individual differences in disease effects, shall also be a part of the determination for the award or denial of benefits.

The conference committee also adopted the Senate version which provides that where a miner has worked 15 years or more in an underground mine, or in a comparable condition on the surface, where such a miner had a negative X-ray and where such a miner had a totally disabling respiratory or pulmonary impairment, he is given the benefit of a presumption that he was disabled due to pneumoconiosis and this presumption will hold unless it can be proven otherwise.

The compromise version of the bill also includes a provision identical to a provision in my bill, H.R. 8783, which would extend coverage under the act to include surface miners. Anyone who has spent time around a tipple or places where there is a large accumulation of coal dust, knows that it is possible to contract the disease without having actually worked all of the time required underground.

Both bills extend title IV benefits coverage to orphan children, with such coverage made retroactive to December 30, 1969.

The bill would also extend benefits of the program to dependent parents, brothers and sisters of a miner with black lung if the relative was totally dependent on the miner and lived in his home. Benefits to a sister would terminate if she marries, and a brother would qualify only if he is under 18 years of age, or if he is a student or disabled.

Federal responsibility for payments would be extended until July 1, 1973.

The present law provides that a widow, if she is to claim black lung benefits, must show that her miner husband died from black lung or a respiratory disease. Under the compromise version we are now considering, that widow may also claim benefits if her husband was totally disabled by pneumoconiosis at the time of his death, regardless of the cause of death.

Since the original Federal Coal Mine Health and Safety Act of 1969 has had thousands of claims submitted which were denied under the old provision, it is particularly good to see the automatic review provision. This requires the Secretary of Health, Education, and Welfare to inform all claimants under the original law of the changes made by the Black Lung Benefits Act of 1972. Also, to inform them that their prior claim will be automatically reviewed under the new law without the need to submit additional applications. As many of these disabled miners and widows are up in years this will reduce the effort they might otherwise have to exert to receive their proper benefits.

Mr. Speaker, I feel, very strongly, that this is a good bill. These amendments will help make the Federal Coal Mine Health and Safety Act more responsive to the needs of our miners, their widows and dependent children.

I urge your support and favorable consideration.

Mr. HECHLER of West Virginia. Mr. Speaker, the coal miners and their families throughout the Nation are grateful that at last the Congress is bringing a greater measure of justice to those who have been deprived of their hard-earned compensation for pneumoconiosis by the narrowly restrictive rules of the Social Security Administration. I should like to take this opportunity to commend our colleagues, the Honorable CARL PERKINS of Kentucky and the Honorable JOHN DENT of Pennsylvania for their yeoman efforts in bringing this legislation to the floor. Even more particularly, I want to register the highest praise for the Senator from West Virginia, the Honorable JENNINGS RANDOLPH, who spearheaded this legislation through the other body. Senator RANDOLPH not only was able to include a number of liberalizing amendments during consideration of the bill in the Senate, but he also held very significant field hearings in Beckley, W. Va., and in Pennsylvania, during the course of which very helpful testimony was elicited from coal miners, disabled miners, and widows. From these hearings emerged significant changes and improvements in the legislation to help bring justice to miners, widows, and their families.

When the President signed the Federal Coal Mine Health and Safety Act of 1969 on December 30, 1969, he included a veiled threat that the black lung compensation provisions violated States' rights and should be interpreted narrowly by the Social Security Administration. I believe it was this statement by the President, and subsequent attempts by the Social Security Administration to interpret the law too rigidly, that deprived thousands of deserving miners and widows of their rightful claims. Now if the President dares to veto this conference report, he will bring down on his head the massed anger of the coal miners of this Nation. So I trust the President will sign this important piece of legislation immediately.

Mr. YATRON. Mr. Speaker, in 1969 Congress took the sorely needed first steps toward recognizing black lung disease as an occupational disease and pro-

viding for compensation to diseased miners and their widows. Title IV of the Federal Coal Mine Health and Safety Act of 1969 has as its purpose not only the provision of benefits to the victims of pneumoconiosis, but also the elimination of the threat of the disease for all future generations. But during the 2½ years since the passage of the act, shortcomings in the measure have become obvious.

In supporting this conference report, I am thinking not only of those miners disabled by "black lung." I am thinking not only of those who are made widows and orphans at an early age. But rather I am thinking of all of us who use the products of their labors underground. When we turn on a light, when we need medication, when we forge steel, when we do a thousand other things derived from coal, we should keep in mind that these miners deserve the full measure of equity under the law that is possible. Mr. Speaker, I am convinced that this measure before us today provides that full measure of equity.

When the provisions of the bill before us today are closely examined, it is clearly shown that progress has been made in the light of more than 2 years of experience in providing benefits to disabled miners and relief to their families. With the adoption of the following provisions, those benefits will be more just, and the relief more complete:

First, by broadening the definition of disability. the bill recognizes the debilitating nature of black lung disease. Many times I have seen men out of work because they could not catch their breath, even while sitting down—yet under the law as it now stands they are not classified disabled. This must end.

Second, the bill will eliminate the X-ray as the sole test of whether a victim has pneumoconiosis. It has long been shown by medical authorities that the X-ray is not infallible and indeed it is usually inaccurate when it comes to detecting early signs of the disease.

Third, the bill will presume a miner to have pneumoconiosis if he has worked in the mines for 15 years and after that period of time is shown to be disabled from a pulmonary or respiratory disease. I have seen men who worked in the mines for 30 years—and many of those years at the "face" which is the dustiest part—and who took one-half hour to climb a flight of steps. Also, one-third of the black lung claims are denied because total disability was not proven by a test which measures the ability to breathe air into the lungs, while the problem created by black lung is not inability to inhale, but the inability to transfer oxygen from the inhaled air into the blood. Yet under the law as it now stands, there was no assumption that they were suffering from the disease. This must end.

Besides this expansion of coverage, H.R. 9212 seeks to expand compensation eligibility to orphans of deceased miners as well as to dependent parents, brothers or sisters, and to allow a widow to claim benefits if her husband was totally disabled by pneumoconiosis at the time of death—even though it may not have been the cause of death.

If ever a bill came from the people, this one did. And, we in the House of Representatives must not forget the people this bill will affect; we must not forget the human side of this long and tragic story. We must not forget how coal miners worked and literally died to provide the fuel so that this country might grow strong. We must not forget the misery and suffering that they and their families endured both during the time while they worked and the time while they slowly, painfully suffer from this disease.

Mr. Speaker, it is my hope that the House will now immediately give approval to this important measure so that the President may sign it into law without delay. Enactment of these amendments will be a major step toward the resolution of an enormous debt which the people of this Nation owe to our coal miners who have been and continue to be so important in the economic growth of of our great Nation. Fifty-four percent of our energy comes from coal and its reserves are expected to continue to play a most important part in our energy needs for the next several hundred years.

H.R. 9212 will correct these serious deficiencies in existing law. By extending full Federal support of benefits, the miner will have assurance of continuing benefits and the States and industry will be better able to assume their responsibilities at a later date. I feel that these changes are necessary and that they clarify the actual intent of the act of 1969. H.R. 9212 provides the necessary changes in the law which miners and their dependents so rightfully deserve. I urge that the House approve this bill.

Mr. ERLENBORN. Mr. Speaker, I have no further requests for time, and I reserve the remainder of my time.

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

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 275, nays 122, not voting 34, as follows:

[Roll No. 141]

YEAS—275

Abbitt	Barrett	Brotzman
Abourezk	Begich	Brown, Mich.
Abzug	Bennett	Brown, Ohio
Adams	Bergland	Broyhill, N.C.
Addabbo	Bevill	Buchanan
Alexander	Biaggi	Burke, Fla.
Anderson, Calif.	Biester	Burke, Mass.
	Blatnik	Burlison, Mo.
Anderson, Tenn.	Boggs	Burton
	Boland	Byrne, Pa.
Andrews, Ala.	Bolling	Byron
Annunzio	Brademas	Caffery
Aspin	Brasco	Carey, N.Y.
Aspinall	Bray	Carney
Baker	Brinkley	Carter
Baring	Broomfield	Casey, Tex.
Celler	Helstoski	Pirnie
Clausen, Don H.	Henderson	Powell
	Hicks, Mass.	Price, Ill.
Clay	Hicks, Wash.	Pucinski
Collins, Ill.	Hillis	Purcell
Conyers	Hogan	Quillen
Corman	Holifield	Railsback
Cotter	Horton	Randall
Coughlin	Hungate	Rees
Culver	Hunt	Reid
Curlin	Ichord	Reuss
Daniels, N.J.	Jacobs	Riegle
Danielson	Johnson, Calif.	Roe
Davis, Ga.	Johnson, Pa.	Rogers
Davis, S.C.	Jones, Ala.	Roncalio
de la Garza	Jones, Tenn.	Rooney, N.Y.
Delaney	Karth	Rooney, Pa.
Dellums	Kastenmeier	Rosenthal
Denholm	Kazen	Rostenkowski
Dent	Kee	Roush
Derwinski	Koch	Roy
Diggs	Kyros	Roybal
Dingell	Latta	Runnels
Donohue	Leggett	Ryan
Dorn	Link	St Germain
Dow	Long, La.	Sandman
Drinan	Long, Md.	Sarbanes
Dulski	Lujan	Saylor
Duncan	McClory	Schneebeli
Dwyer	McCloskey	Schwengel
Eckhardt	McCormack	Seiberling
Edwards, Calif.	McDade	Shipley
Eilberg	McDonald, Mich.	Shoup
Evans, Colo.		Sikes
Evins, Tenn.	McFall	Sisk
Fascell	McKay	Skubitz
Findley	McKinney	Smith, Iowa
Fish	McMillan	Snyder
Flood	Madden	Staggers
Flowers	Mahon	Stanton, J. William
Foley	Mailliard	
Ford, William D.	Mallary	Stanton, James V.
	Mathias, Calif.	
Forsythe	Mathis, Ga.	Steed
Fountain	Matsunaga	Steele
Fraser	Mazzoli	Stephens
Fulton	Meeds	Stokes
Fuqua	Melcher	Stratton
Garmatz	Metcalfe	Stuckey
Gaydos	Mikva	Sullivan
Gettys	Miller, Ohio	Symington
Giaimo	Minish	Thompson, N.J.
Gibbons	Mink	Udall
Gonzalez	Mollohan	Ullman
Goodling	Monagan	Van Deerlin
Grasso	Moorhead	Vanik
Gray	Morgan	Veysey
Green, Oreg.	Mosher	Vigorito
Green, Pa.	Moss	Waggonner
Griffiths	Murphy, Ill.	Waldie
Gubser	Myers	Wampler
Gude	Natcher	Whalen
Hagan	Nedzi	Whalley
Halpern	Nelsen	White
Hamilton	Nichols	Whitten
Hammer-schmidt	Nix	Widnall
	Obey	Williams
Hanley	O'Hara	Wilson, Charles H.
Hanna	O'Konski	
Hansen, Wash.	O'Neill	Wolff
Harrington	Patman	Wright
Harsha	Patten	Wyatt
Harvey	Pelly	Yates
Hathaway	Pepper	Yatron
Hawkins	Perkins	Young, Tex.
Hébert	Pettis	Zablocki
Hechler, W. Va.	Peyser	Zion
Heckler, Mass.	Pickle	Zwach
Heinz	Pike	

NAYS—122

Abernethy	Collins, Tex.	Gross
Andrews, N. Dak.	Colmer	Grover
	Conable	Haley
Archer	Conte	Hall
Arends	Crane	Hansen, Idaho
Ashbrook	Daniel, Va.	Hosmer
Belcher	Davis, Wis.	Hull
Bell	Dellenback	Hutchinson
Betts	Dennis	Jarman
Blackburn	Devine	Jonas
Bow	Dickinson	Jones, N.C.
Broyhill, Va.	Downing	Keating
Burleson, Tex.	du Pont	Kemp
Byrnes, Wis.	Edwards, Ala.	King
Cabell	Erlenborn	Kuykendall
Camp	Esch	Kyl
Carlson	Fisher	Landgrebe
Cederberg	Flynt	Lennon
Chamberlain	Ford, Gerald R.	Lent
Chappell	Frelinghuysen	Lloyd
Clancy	Frenzel	McClure
Clawson, Del	Frey	McCollister
Cleveland	Goldwater	McCulloch
Collier	Griffin	McEwen

McKevitt	Robison, N.Y.	Taylor
Mann	Rousselot	Teague, Calif.
Martin	Ruppe	Teague, Tex.
Mayne	Ruth	Terry
Michel	Satterfield	Thompson, Ga.
Mills, Md.	Scherle	Thomson, Wis.
Minshall	Schmitz	Thone
Mizell	Scott	Vander Jagt
Montgomery	Sebelius	Ware
Poage	Shriver	Whitehurst
Poff	Smith, Calif.	Wiggins
Price, Tex.	Smith, N.Y.	Wilson, Bob
Quie	Spence	Winn
Rarick	Springer	Wydler
Rhodes	Steiger, Ariz.	Wylie
Roberts	Steiger, Wis.	Wyman
Robinson, Va.	Talcott	Young, Fla.

NOT VOTING—34

Anderson, Ill.	Gallagher	Murphy, N.Y.
Ashley	Hastings	Passman
Badillo	Hays	Podell
Bingham	Howard	Preyer, N.C.
Blanton	Keith	Pryor, Ark.
Brooks	Kluczynski	Rangel
Chisholm	Landrum	Rodino
Clark	Macdonald,	Scheuer
Dowdy	Mass.	Slack
Edmondson	Miller, Calif.	Stubblefield
Eshleman	Mills, Ark.	Tiernan
Galifianakis	Mitchell	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hays with Mr. Anderson of Illinois.
Mr. Rodino with Mr. Hastings.
Mr. Clark with Mr. Eshleman.
Mr. Brooks with Mr. Mitchell.
Mr. Slack with Mr. Gallagher.
Mr. Tiernan with Mr. Mills of Arkansas.
Mr. Howard with Mr. Keith.
Mr. Ashley with Mr. Macdonald of Massachusetts.
Mr. Kluczynski with Mr. Stubblefield.
Mr. Podell with Mr. Landrum.
Mr. Blanton with Mr. Scheuer.
Mrs. Chisholm with Mr. Galifianakis.
Mr. Murphy of New York with Mr. Passman.
Mr. Edmondson with Mr. Badillo.
Mr. Miller of California with Mr. Rangel.
Mr. Bingham with Mr. Preyer of North Carolina.

Mr. CASEY of Texas and Mr. HARSHA changed their votes from "nay" to "yea."

Mr. COLMER and Mr. BOB WILSON changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

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

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 7130, FAIR LABOR STANDARDS AMENDMENT OF 1971

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 968 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 968

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7130) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage under that Act, to extend its coverage, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. It shall also be in order to consider without the intervention of any point of order the text of the bill H.R. 14104 if offered as a substitute for the committee amendment in the nature of a substitute. At the conclusion of the consideration of H.R. 7130 for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

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

Mr. Speaker, House Resolution 968 provides an open rule with 3 hours of general debate for consideration of H.R. 7130 to amend the Fair Labor Standards Act of 1938. The resolution provides that it shall be in order to consider the committee substitute as an original bill for the purpose of amendment, that the bill shall be read for amendment by titles instead of by sections and that it shall also be in order to consider without the intervention of any point of order the text of H.R. 14104 if offered as a substitute for the committee amendment in the nature of a substitute.

The purposes of H.R. 7130 are to provide an increase in the minimum wage rate, extend benefits and protection, and establish procedures for the relief of domestic industries and workers injured by increased imports from low-wage areas.

At the present time, the law covers approximately 45.5 percent of the wage and salary workers in the United States.

Industries covered are agriculture; mining; contract construction; manufacturing; transportation and communication facilities; wholesalers; retailers; finance, insurance, real estate; services, excluding domestic help; Federal, State, and local governments.

H.R. 7130 extends coverage to preschool center employees, domestic service employees, conglomerate employees, and to additional Federal, State, and local employees.

The bill provides: A minimum wage of $2 an hour, effective January 1, 1972, for nonagricultural employees covered by the act prior to the 1966 legislation; $1.80 an hour, effective January 1, 1972, for nonagricultural employees covered by 1966 and 1971 amendments, and $2 an hour, effective January 1, 1973.

Agricultural employees covered will receive $1.50 an hour, effective January 1, 1972, and $1.70 an hour, effective January 1, 1973.

Agricultural employees in Puerto Rico and the Virgin Islands will receive two 16-percent increases, effective January 1, 1972, and January 1, 1973.

A special industry committee will be established to recommend wage rates for employees newly covered by this legislation within the United States.

STUDENT EMPLOYMENT

The bill authorizes the employment of full-time students at wages below the regular minimum wage in any occupation other than those deemed particularly hazardous. The student minimum wage would be set at $1.60 an hour—$1.30 in agricultural employment—or not less than 85 percent of the applicable minimum wage, whichever is higher. The bill provides for a certification procedure under which the Secretary of Labor must certify that the student will only be employed on a part-time basis and that the employment of the students will not be used to displace job opportunities for others.

The bill sets forth procedures to restrict foreign imports from low-wage areas and provides that any employer who knowingly employs an alien who is in the United States illegally, or in an immigration status in which such employment is not authorized, shall be guilty of a misdemeanor. If convicted, he would be subject to a maximum penalty of $1,000 or 1 year, or both, for each alien involved.

Mr. Speaker, the last time the Fair Labor Standards Act was amended was in 1966 when it increased the minimum wage to $1.60 per hour. At that time the amendments also extended coverage to certain workers, including 536,000 agricultural employees and certain public employees, such as hospital workers.

In 1966 the so-called poverty level for hourly wage earners was $3,200 per year for a family of four. Due to inflation, the annual income for subsistence for a family of four is now about $4,500. Using the $4,500 standard, today's wage of $1.60 per hour buys less than the $1.25 minimum wage bought in 1966. The bill now under consideration has been pending in the House Education and Labor Committee and in the Rules Committee for almost 13 months. This bill was reported out of the Education and Labor Committee by a vote of 26 to 7. The arguments used by some Members that this is an inflationary bill certainly cannot apply to a group of workers who have not had an increase in pay since 1966. In the last 3 years the cost of living has gone up 16½ percent. The hourly wage people over the Nation have certainly been penalized by the fantastic raise in the cost of living, without any increase in wages to meet these extremely high prices of the last 4 years.

Mr. Speaker, I urge the adoption of

the rule in order that the legislation may be considered.

Mr. MARTIN. Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. RHODES).

(By unanimous consent, Mr. RHODES was allowed to speak out of order and to revise and extend his remarks.)

BIPARTISAN SUPPORT OF PRESIDENT NIXON REQUIRED

Mr. RHODES. Mr. Speaker, in a lead article in the Christian Science Monitor of today, Godfrey Sperling, Jr., points out the fact that in the present Vietnam crisis, President Nixon has certainly not received the support of Democratic leaders, as President Kennedy received Republican support in the 1962 Cuban missile crisis. Mr. Sperling is imminently correct.

The criticism of President Nixon's' action by leaders of the Democratic Party, particularly in the other body, is both loud and strident. One of them criticizes the President's latest attempt to end the Vietnam war by saying:

His course is filled with unpredictable danger. This is a serious escalation of the war.

Another describes it as "flirtation with world war III." Others are equally outspoken in their criticism.

Actually, what did the President do in establishing his new policy? First, he told the Russians and the North Vietnamese that they could have peace if they would only do two things. No. 1, that they would cease firing at their neighbors, and No. 2, that they would release our prisoners of war. Actually, a prominent Democratic Member of the other body, perhaps in an unguarded moment, intimated that this was exactly what the Democratic doves had been trying to get President Nixon to do all along.

Actually, who can be against this new proposal? The consensus of Americans has long been that we should leave South Vietnam as soon as possible, provided we secure the return of our prisoners of war. We have no desire to leave our South Vietnamese allies to disaster, but we feel that the Vietnamization process has been in effect long enough so that they should be able to stand up to the enemy which desires to end their independence, if they ever will possess that quality. Therefore, the time has come for us to get out of this war which two Democratic Presidents blundered into, but only if we secure the return of our prisoners.

President Nixon has acted to inhibit the invasion of the North Vietnamese troops in South Vietnam, not merely because of his concern for the future of South Vietnam, but for the overwhelming concern he feels for the safety of the American troops remaining in that beleaguered country. The idea of getting those troops out of Vietnam while the bullets are still flying is both naive and dangerous. President Nixon's enemies apparently desire American troops to be withdrawn in an aerial Dunkirk of some proportion which they cannot describe nor imagine. This, the President is not willing to do. Therefore, a cease-fire is, and must be, a part of the proposal we make for ending our participation in this unfortunate war.

President Nixon has told the Russians and the North Vietnamese that their freedom of resupply will be inhibited, in ways which are perfectly legal and which will be effective if they continue their invasion. It is up to them as to whether they desire to run the risk of the type of confrontations which always occur when ships are sunk by mines or by bombing.

All Americans should remember this. The North Vietnamese and the Russians started this invasion. We did not. The type of American who automatically reacts to every situation by screaming loudly that his country is wrong is to me unworthy of bearing the name of American citizen. Our country has been wrong at times in the past, and we will probably be wrong in the future. But, we are right quite often, too. I say to my colleagues in the leadership of the Democratic Party, particularly in the other body, that their cacophony of disunity does nothing to serve the purpose of peace. I doubt that in the long run it will be good politics, although they obviously think that it is and will be. Americans have never cared for carping criticism, made for political advantages.

The Democratic presidential candidates have tried too long to obtain political advantage by attacking the conduct of the Vietnamese war. Let them try for a change to help the President end the war by showing that Americans are united behind the objectives which President Nixon has most recently enunciated. I doubt that anyone who sincerely desires to end this conflict can be against the Nixon proposals. If they are, it would be interesting to see a complete outline of the amendments they would suggest.

Mr. Speaker, I am reminded of the great contrast which the conduct of President Nixon at the time of the Cuban missile crisis in 1962 bears to the type of treatment he is now receiving from leaders and presidential candidates of the Democratic Party. At that time President Nixon was involved in a contest for the governorship of the great State of California. When the Cuban missile crisis arose, Mr. Nixon stopped his own campaign, and bought television time at his own expense to ask the people of the country to back the President of the United States in that moment of crisis. The solidarity displayed by the Republican leadership at that time probably had as much to do with the success of the negotiations with the Russians as any other single factor.

I call now upon the leaders of the Democratic Party, including the presidential candidates, to accord President Nixon the same type of support that he gave President Kennedy. They should bear in mind that at some time in the future a Democratic President may again need support in a national crisis. If it should be one of the present crop of Democratic candidates, I doubt that his standing would be too secure in making a plea for unity.

This is a time to close ranks behind the President. I have today introduced a "sense of the Congress" resolution, stating that the Congress agrees with our withdrawal from Vietnam 4 months after a cease-fire and release of our prisoners. Adopting this would hasten the end of the war by assuring North Vietnam and Russia that Americans really are united, and that in spite of the loud rhetoric of disunity they have heard, they really cannot win this war in Washington.

The article referred to follows:

[From the Christian Science Monitor]

NIXON LACKS UNITY OF J. F. K. CUBA CRISIS

(By Godfrey Sperling, Jr.)

WASHINGTON.—Comparison of the new Nixon confrontation with Soviet Russia and the Cuban missile crisis of 1962 shows a clear difference of domestic political response.

President Kennedy had leaders of both parties solidly behind him; Democratic leadership in this election year—including party chairman Lawrence F. O'Brien and the leading presidential candidates, Sens. Hubert H. Humphrey and George McGovern—is critical of Mr. Nixon's move in Vietnam.

Elsewhere, the wholehearted, near-saturation support that President Kennedy evoked seems unlikely today, simply because large segments of the public have lost interest in the United States remaining in a war that has become pointless to both hawks and doves.

Yet, there has been considerable evidence of a widespread and perhaps majority backing for the President's efforts to wind down the war. It is therefore reasonable to conclude that this support will rally behind the President in this moment of crisis.

Mr. O'Brien, in addition to saying that the President had made a mistake, told a breakfast group of reporters that there was now a clear possibility that Mr. Nixon would decide to drop out as a presidential candidate, just as Lyndon Johnson did four years ago.

Perhaps the President knew, when he made his grave decision, that he would not be able to count on a show of bipartisanship in this immensely risky venture.

But in taking this negative tack, the Democratic leaders are also courting public displeasure and, perhaps, political disaster, should the President prove successful.

In fact, one could argue that the Democratic leaders now have taken a position where they will lose no matter what ensues:

1. Should the President be able to persuade Soviet Russia to pull back and let him pursue his new objectives in Vietnam, then Mr. Nixon will doubtless score a victory that is bound to materially improve his prospects for re-election in the fall.

2. But should the U.S. fail in this endeavor—and here "failure" could be written in several different versions, all bad—the President's critics will be the losers, too, simply because as individual citizens they will suffer rrom the defeat.

Undoubtedly these Democrats see some alternative possibilities, if Mr. Nixon's judgment proves to be bad but not fully disastrous, or if their own criticism becomes an asset at the ballot box.

In any event, at this writing it is difficult to tell how deeply and intensely Congress now will debate the President's decision.

Discussion there will be, with Messrs, Humphrey and McGovern leading the way. But members of Congress are still waiting, with wet finger to the wind, to determine the extent of public dissent.

Will it stir the campuses and the public the way the Cambodian incursion did?

How far will dissent go beyond the relatively mild reaction to the bombing of the north, including Haiphong and Hanoi?

Or will there be a substantial public rallying behind the President because of the sobering implications of his actions?

Further—and most important—what will Moscow's reaction be to the new U.S. tactics?

Again, as this is being written, these questions have not been answered with any finality. And, quite possibly, it may take several days before Congress and an anxious public knows precisely what is in the wind.

Mr. GERALD R. FORD. Mr. Speaker, since the days when he was baseball's greatest hitter with the Boston Red Sox, Ted Williams has been known by friends and foes alike as a man who minced no words. And I am pleased to note that Ted is still "telling it like it is" today.

Commenting on President Nixon's most recent efforts to bring a speedy end to the war in Vietnam, Ted Williams put it the way most Americans would have—

Nixon had to do it, regardless of the consequences. We have 60,000 guys over there we have to protect.

As most people will recall, Ted was a crack Marine fighter pilot in both World War II and the Korean war, and he knows what it is to be in the military service of one's country.

Mr. Speaker, as a one-time and perhaps overrated football player in my college days, I appreciate hearing these words of support for the President from one of America's greatest athletes. My colleagues BOB MATHIAS, "VINEGAR BEND" MIZELL, and JACK KEMP—all great athletes in their own right—join me in this appreciation.

We feel Ted Williams' straight-talk comments on the President and his critics reflect that honesty and patriotism which has characterized both our athletes and the great body of the American people. I include excerpts from a Washington Post article on his remarks in the RECORD:

PUNDIT TED WILLIAMS SPLINTERS NIXON'S CRITICS

(By George Minot, Jr.)

Thoughtful Americans everywhere were talking today about President Nixon's decision to mine North Vietnam's ports.

Ted Williams was no exception. The manager of the Texas Rangers, the old Washington Senators, was lobby-sitting in the Lord Baltimore Hotel, sweating out the rain which eventually washed out his night game with the Orioles.

"Nixon had to do it, regardless of the consequences. We have 60,000 guys over there we have to protect," said Williams, the firebrand Marine fighter pilot of World War II and the Korean conflict.

"He's the greatest President of my lifetime," added Williams, who once caused a stir when he questioned President Truman's "guts."

Williams cut across party lines by praising Franklin D. Roosevelt as "great" but his opinion of the leading Democratic hopefuls was less than laudatory. "Those four guys make me puke," he fumed, "and you can put that in your column."

Obviously mellowing in his middle years, the manager did not further identify the "four guys."

In the view of the last .400 hitter, "Nixon always makes the right decision. At least he makes the effort." When someone questioned him about the reaction of the Soviet Union to the mining, Williams shot back: "I'm not afraid of the Russians."

Williams' staunch defense of the Chief Executive came as no surprise to anyone who had visited Williams' old office in RFK stadium. Mr. Nixon's photograph hung over the couch. . . .

Mr. HÉBERT. Mr. Speaker, as chairman of the Armed Services Committee, my support for the President's conduct of the Vietnam situation is well known. I believe he has done an outstanding job with the unholy mess he inherited.

Irresponsible rhetoric by Members of both parties have contributed greatly to the prolonging of the war, and this rhetoric has again emerged in response to the President's decision to mine the harbors of North Vietnam's ports and bomb land supply arteries.

The President, in my opinion, has displayed indefatigable courage in his dedication in quest of peace. He has followed a consistent course and has kept every pledge. He has done everything anybody could possibly do to bring peace with honor.

I care not what course others may take or for what reasons, because I once again give my hand and heart to our President in meeting the enemy head-on and refusing to budge or cow before international bandits who are guilty of invasion and escalation of the war which America wants ended and the prisoners of war returned to their loved ones at home.

There is no other course of honor open to the President except the one he has chosen to take. Any other action would be akin to surrender and disgrace and is not acceptable to the majority of the American people, who I am confident stand behind the President.

I was most pleased to note the editorial stand taken by the New Orleans Times-Picayune with regard to the President's action. It shows a responsibility in journalism that some of the country's "prestige papers," and I borrow those words because I see nothing prestigious about certain "big name" papers, could emulate.

Therefore, I am inserting the editorial at this point in the RECORD.

[From the Times-Picayune, May 10, 1972]

NIXON AND VIETNAM: TENSE GAME ENDS

President Nixon's selection from the alternatives he listed as before him Monday evening was properly strategic, directed toward Moscow and Peking where flexibility still exists, rather than tactical, aimed at Hanoi, where none obviously does at this point.

Mining North Vietnam's harbors, sealing its coast with patrols and "taking out" the rail supply lines within North Vietnam are not expected to have an immediate effect on the current northern offensive in South Vietnam, but they will affect Hanoi's future prospects.

Concurrently, the moves force on Moscow and Peking—Hanoi's suppliers and, embarrassingly, at the same time new partners of the United States in a global strategic pas de trois—decisions that will also affect either the progress or the settlement of the war.

It is obvious that we are in the final stage of this long war. There is every evidence that the North Vietnamese offensive is a final burst banking on justifying more of the support its major backer, Moscow may be tiring of providing and without which it may not be able to continue large-scale operations.

On our side, Mr. Nixon's offer to withdraw completely within four months if the other side honors a supervised ceasefire shows that our eyes are fixed on an end, not a continuation.

So the ready slogan-word "escalation" is of no use in judging the President's end-game strategy. The new moves have long lain in our options kit, and it is to be assumed that the groundwork for their possible use was laid by the President in Peking last December and by presidential adviser Henry Kissinger in Moscow last month. They amount to unignorable signals to Russia and China to help get this thing over with so we can move on to more important and more controllable aspects of our wider relations.

And, we believe, the signals must be credible on the other side. Mr. Nixon is not the unknown quantity President Kennedy was at the time of the Cuban missile crisis. The Communist leaders—who are not Khrushchevs, either—have seen him in determined action.

The Vietnamization program was for us a step back from total commitment that required the loss of some face, though cosmeticized by elaborate argument and upbeat rhetoric. The equivalent is now being demanded of Moscow and Peking. They should take their medicine, as they can with no greater damage, and let the world avoid, in Mr. Nixon's grim phrase, a "slide down the dark shadows of a previous age."

Mr. MARTIN. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, House Resolution 968, as the gentleman from Indiana has explained, provides for an open rule with 3 hours of debate on H.R. 7130.

It further provides that H.R. 14104 is in order to be offered as a substitute to the committee bill.

What are the purposes, Mr. Speaker, of this legislation? Primarily to amend the minimum wage law, which currently is $1.60 an hour. The Congress has this power. There is no question about that. But when you raise wages, and this is a 25-percent increase, Mr. Speaker, you also should increase productivity, and if labor does not produce more they are unproductive, as far as management and business is concerned. The Congress cannot increase productivity; that has to come from the individual himself.

This 25-percent increase in wages, which would take effect immediately, would add to our problems of inflation, and add to our problems on the increase in the cost of living.

Let us go into detail somewhat about this legislation. The current minimum wage is $1.60 an hour for nonagricultural employees with certain exemptions. In agriculture it is $1.30 an hour.

This legislation would provide that those who came under the act under the 1961 amendments would be increased immediately from $1.60 an hour to $2 an hour. Those employees who came under the 1966 amendments would be increased immediately from $1.60 an hour to $1.80 an hour, and 1 year later to $2 an hour. In agriculture, the increase immediately would be from $1.30 per hour to $1.50 an hour, and 1 year later to $1.70 an hour.

Mr. Speaker, the fact that increases in minimum wages have a rippling effect all up the line has conclusively been proven by the events of the past, when this act has been amended. Let me give you a concrete illustration:

In 1966, when the minimum wage was increased from $1.25 an hour to $1.60 an hour, shortly after that action was taken by the Congress the Committee on Ways and Means, under the able leadership of

its chairman, the gentleman from Arkansas (Mr. MILLS), reported out legislation to set up the medicare program. Mr. MILLS, in testifying in behalf of that legislation before the Committee on Rules, had set forth in the report in detail the projected expense of medicare over the first, second, third, fourth, and fifth years. I questioned the gentleman quite closely as to these projected costs in the future, and he advised me that these figures had been compiled by his staff in cooperation with experts downtown in the proper departments, as well as the Congress, and throughout the country, and that he was sure that he had plenty of money figured in his projections to take care particularly of hospitalization costs.

In addition to this, the gentleman from Arkansas (Mr. MILLS) assured me he had a 5-percent cushion over and above these figures.

The Congress had just passed the amendments to the minimum wage law increasing from $1.25 to $1.60 an hour and bringing hospitals and nursing homes under its provisions for the first time.

What was the result? Hospital costs went up very rapidly and abruptly primarily because of this increase in the minimum wage. The projected medicare figures that the Committee on Ways and Means had come up with were completely in error. As a result, the Congress had to take further action to call for increased payments into this program to take care of this tremendous increase in hospitalization costs.

This came about directly because of the increase in the minimum wage in 1966.

The committee bill, H.R. 7130, also provides for increased coverage of almost 6 million people. It includes coverage for the first time of Federal, State, and local government employees to the tune of 4,479,000 employees plus the overtime provisions of the act.

Domestic employees are also covered for the first time under this legislation and they are estimated to number 1,139,000 people.

I have here a statement of the distinguished chairman of the Committee on Post Office and Civil Service who testified 2 or 3 weeks ago before the Committee on Rules in opposition to this particular section of the act which brings Federal employees under the provisions of the Fair Labor Standards Act.

I want to quote in part from the testimony of the gentleman from New York (Mr. DULSKI), the chairman of the committee, and I am quoting from his testimony before the Committee on Rules:

Section 201 of the bill will extend coverage of the Fair Labor Standards Act to include all employees of the Government of the United States.

The amendments would make the Government of the United States an employer within the meaning of the Fair Labor Standards Act. I assume that means all three branches of the Government of the United States—the executive, judicial, and legislative. Under such circumstances, I also assume—

Get this point—

That overtime pay would be required for overtime work by nonsupervisory employees of the judicial branch and of the legislative branch, including employees in a Member's office.

These are the words of the gentleman from New York (Mr. DULSKI).

His statement continues:

I asked the Civil Service Commission for a report. Chairman Hampton replied by letter dated March 7, 1972, that the Civil Service Commission strongly recommends that the Federal Government not be covered as an employer under the Fair Labor Standards Act. The Commission urged that the bill be amended to strike out references to the United States in redefining the terms.

Most Federal employees are entitled to overtime compensation under the provisions of subchapter V of the chapter 55 of title 5, United States Code. These provisions are administered by the Civil Service Commission. The Fair Labor Standards Act provisions are administered by the Secretary of Labor.

Then Mr. DULSKI asks:

Who is to make the decision as to which will be the greater benefit—the Civil Service Commission or the Secretary of Labor?

He goes on to point out that there is a differential in grades and so forth as to how this will apply with regard to overtime, which further complicates the situation.

He concludes his remarks that he is opposed to this section and intends to offer an amendment or to have an amendment offered to delete this section from the bill itself.

Let us go on with some other provisions of this bill and I will quickly cover this part.

Five exemptions which have been removed from the bill before us are the overtime provisions affecting agricultural processing employees, transit system employees, nursing home employees, sugar processing employees and maid and custodial employees in hotels and motels.

Exemptions for overtime to a certain extent have been eliminated from these categories.

Let us take the student exemption as the next point in the bill. This legislation has made it extremely difficult for business to hire full-time students on a part-time-work basis who do not work more than 20 hours a week. Under the present act, full-time students who are part-time employees, may be hired at 85 percent of the minimum wage. This is set up on a basis of the number in an establishment in 1961. An establishment is one store. If the business has come into existence since 1961 the Secretary of Labor has the power to allow a certain number of student employees.

But under this bill—and this is not noticed by very many people—the committee has changed the word "establishment" to "employer."

Now, what would that do? A large chain store, such as Safeway, A. & P., J. C. Penney Co., or any chain store, would be allowed only four student employees under the provisions of this bill. The word "four" is right in this legislation. To get additional student employees they would have to go to the Secretary of Labor and prove to the Secretary of Labor that by giving a job to a student on a part-time basis it would not interfere with full-time employment for an adult. This would be a cumbersome process, and one which would probably not be very successful in the long run. It is a very dangerous provision in the committee bill.

In addition, the committee has included 21 exemptions in 21 different businesses and industries, to which the student exemption would not apply.

Let us go on to section 213, another bad provision in the bill. This would prohibit for the first time a State employment agency from assisting in the placement to an employer who pays less than the minimum wage. What does that mean? The exemption for coverage in a retail store is $250,000. In other words, a store that does not do at least $250,000 in sales is exempt from the act. That is under the present law and would be continued under the bill before us. So this means that under section 213 a State employment agency could not refer a person for a job to a retail store which was not paying the minimum wage. This is true, Mr. Speaker, in many, many areas of the country, particularly in your small towns, in your small businesses, the "papa and the mamma" stores that may have one additional employee to help. This would create real hardship on these people, and it would prohibit State employment agencies from referring a person to them when they seek additional help in their business.

Let us go on to title III. This is one of the most dangerous titles in the entire bill and it concerns imports. It provides that in any contract over $10,000 in which Federal funds are involved, either directly or indirectly, that no materials may be purchased that come from a foreign country whose minimum wage is not up to the United States, whose fringe benefits for labor are not up to those that our labor receives in this country. By "fringe benefits" I talk about additional benefits in the way of health and hospitalization insurance, paid vacations, sick leave, and so on, those things that are negotiated in practically every labor contract in this country.

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

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

Mr. HALL. Mr. Speaker, in view of the gentleman's statement that he has just completed, in view of the trouble we have had with the GATT Agreements, the variable tariffs, the exportation of our products to the Common Market, and others, how in the name of reason could this resolution No. 968 state that part of its purpose is "to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, and for other purposes"?

Many of us have known for years that our only problem is our high standard of living, our high cost of production, and our high cost of labor in competition in free trade around the world, and I do not see how we can accept such a rule, let alone one that waives points of order against a substitute printed in the bill.

Mr. MARTIN. In my opinion, title III will have exactly the opposite effect.

Let me continue in regard to title III. I have called attention a moment ago

that this was probably the most dangerous title or section in the entire bill. Let me expand on that point.

First of all, how is the bill worded? It is made mandatory. The word "shall" is used. Let me read from the bill on page 45 a sentence or two:

Upon the request of the President, or upon resolution of either House of Congress, or upon application of the representative of any employee organization in a domestic industry, or upon application of any interested party, or upon his own motion, the Secretary of Labor shall—

And it is made mandatory—

promptly make an investigation and make a report thereon not later than four months after the application is made . . .

Then on down later, in the next paragrapn, again quoting from the bill, we see:

In the course of any such investigation the Secretary or his delegate shall—

Again we see the word "shall"—

hold hearings, giving reasonable public notice thereof, . . .

"(3) Should the Secretary find, as a result of the investigation and hearings, that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, he shall promptly report his finding to that effect to the President.

Again we see the word "shall."

Then on line 8, page 46, from the bill we see—

The Secretary shall immediately make public his findings and report to the President, and shall cause a summary thereof to be published in the Federal Register.

"(4) Upon receipt of the report of the Secretary containing a finding that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, the President shall—

Again we have the word "shall"—

take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law.

This $10,000 mentioned in here in contrast is where the Federal funds are involved either directly or indirectly. We can construct a house with FHA or VA loans, and where FHA is guaranteeing the loan, that is indirect, that contract would come under this, and no foreign product could be used.

Let me quote from some letters I received in opposition to this. I have one from the American Association of University Women, who support the legislation involved, but they do not support title III. I quote from their letter to me dated May 8, 1972:

The part of the bill which we oppose is Title III, Relief for Domestic Institutions and Employees Injured by Increased Imports from Low-Wage Areas. We believe this country's trade policy is a very complicated, many sided problem with economic and political implications which cannot properly be handled in a minimum wage bill. Although we support efforts to aid workers whose jobs and livelihood are threatened by imports from low wage areas, we do not believe the remedies proposed in Title III are the solution to the troubles of these workers.

Under Title III the very people H.R. 7130 is designed to help, the poor, would be denied access to the low cost imports they need. The curb on inflation imposed by competition would be eliminated. Consumers would be denied the right of choice which they now enjoy in the open market.

Under the restrictions of Title III any school which uses Federal funds under any of several federally aided education programs could be restrained from buying imported scientific equipment from abroad or even erasers from Japan!

The American Farm Bureau Federation opposes the legislation. In a letter of May 10, 1972, the president of that federation says:

We further submit that title III of the bill is a drastic proposal, which would have disastrous consequences for the producers of export commodities.

There are exports of billions of dollars each year to foreign countries.

I quote from a letter from the League of Women Voters of the United States addressed to the Honorable OGDEN REID, a copy of which was mailed to me.

We oppose title III itself and its inclusion in the minimum wage bill. Granting new presidential authority to erect trade barriers could arouse hostility toward United States international economic policies at a time when we are trying to restore confidence in our international monetary role. Furthermore, it could work to the disadvantage of many of the same working people that the minimum wage legislation is designed to help, including those in export industries.

The League of Women Voters of the United States is opposed to title III.

Last, let me quote from a letter of May 8, 1972, addressed to the ranking minority member of the Committee on Rules, the gentleman from California (Mr. SMITH):

Under Section 301(c) of the bill, Defense contracts apparently would require overseas suppliers to pay wages "not substantially less" than wages required to be paid in the United States under the Fair Labor Standards Act. Aside from the ambiguity inherent in this requirement, we are apprehensive that the effect of such a requirement could be to foreclose the Department of Defense from access to most foreign sources where wage rates tend to be substantially less than in the United States.

Secretary of Defense Laird goes on to quote some examples. Let me read one or two.

Items which are not available in the U.S. such as certain new technology items, e.g., the British developed HARRIER aircraft. The DoD does not intend to duplicate the expense of developing such new technology items when they are available from a foreign source, and are suitable for U.S. defense needs. Also, the DoD frequently needs to buy one or more copies of a weapons system or subsystem for testing in the U.S.

In any logistic situation, there is always the need to have authority available to buy from any source in an emergency, whether a full scale national emergency or a one-time natural catastrophe. However, the bill does not provide these contingencies.

And I read a few words from Secretary Laird's letter with respect to trade with Canada:

Various steps have been taken during and since World War II to coordinate U.S.-Canada economic efforts in the mutual defense of the North American continent. These steps involve greater integration of military production, standardization of military equipment, dispersal of production facilities, and availability of supplemental sources of supply.

During the Vietnam War, Canada provided DOD with many urgent requirements, including certain electrical and navigational equipment and supplies. Over a 12-year period, the U.S. has procured approximately $2.8 billion worth of supplies from Canada. Over 100 Canadian suppliers have executed agreements to provide certain critical defense items in the event of an emergency. The bill would prevent DOD from obtaining these supplies from Canada under this long-standing program.

Title III, Mr. Speaker, is one of the most dangerous sections of this entire piece of legislation and should be removed from the bill.

I want to call attention very briefly to the substitute which will be offered by the gentleman from Illinois (Mr. ERLENBORN) and the gentleman from Minnesota (Mr. QUIE) of the Committee on Education and Labor, which has been made in order. This bill would eliminate all these changes in the present law, would eliminate title III, and would provide for approximately the same increase in the minimum wage as the committee bill does, but in addition it would go much further in regard to assisting students in receiving part-time work.

I oppose this legislation.

Mr. MADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I take this time to present for the RECORD, so that the Members of the House will have them, the amendments that I promised the Committee on Rules I would present dealing with the time of effectiveness of the act.

Since the act was to be effective on January 1, we moved that up to the first day of the first calendar month which begins more than 30 days after the date of enactment or July 1, 1972, whichever comes first.

Then we changed the second raise to make that 1 year later, or July 1, 1973.

These amendments which I offer for the RECORD are offered so that the Members may read them in their entirety when the CONGRESSIONAL RECORD is before them tomorrow.

I do not want to take up too much of your time, but I would like to remind the gentleman from Nebraska that on September 28, 1967, along with 339 other Members of this Congress, he voted for a proposal essentially similar to title III. It was passed by a vote of 340 to 29.

The whole fight against this bill is centered upon title III. Now, what does title III do? All it does is give the opportunity to a community or other affected party to go before the Secretary of Labor when an installation, a manufacturing or producing installation, in that community is shut down, liquidated or, in better words, annihilated and when it says that it was closed because of the impact of imports. That community can then go before the Secretary of Labor and ask for a study. On the basis of what? On the basis of injury. That is all it does.

Then the findings have to be a matter of fact. Then it goes to the President. At that point we will have about as much authority with the President and as much pressure on him as we have now,

which is none. This is only an act of Congress; it is not a constitutional provision. We have abdicated our constitutional authority with regard to currency, trade, and other things, and the President does as he pleases.

If he feels at that time that that community was injured, he can institute under these provisions the relief that is necessary for that particular industry or plant.

What we are doing is removing the basket category approach which is now before the Tariff Commission. Every injury case that goes to the Tariff Commission today is not considered on the basis of the wage content; it is considered on the basis of the earnings of the industry. When they shut down the Braeburn Steel Co. in Pennsylvania, they did not consider the Braeburn Steel Co.'s ability to compete, but they considered only the entire steel industry's ability.

That is the only, only, job-giving installation in that whole community, and it is over 90 years of age. So that is what they are objecting to. Who is objecting to it? The multinational corporations.

ITT is the strongest opponent of this piece of legislation than any other group in America, and who have they reached? Maybe, the beneficiaries of the generosity of ITT and the other fat cats.

Mr. MARTIN. Mr. Speaker, will the gentleman yield briefly?

Mr. DENT. I would be happy to yield to the gentleman from Nebraska.

Mr. MARTIN. The gentleman said that the large corporations and the big fat cats——

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MADDEN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. MARTIN. The gentleman said that the large corporations and the big fat cats were the only ones opposed to title III of this bill.

I have previously quoted from letters from the American Association of University Women, the League of Women Voters, the Department of Defense, the American Farm Bureau, who are all in opposition, and I hope the gentleman does not put them in that category.

Mr. DENT. And, the American Farm Bureau, of course, does not have much influence exerted upon it such as from Corn Products International, ITT, and others.

Mr. MARTIN. Will the gentleman yield further?

Mr. DENT. Give me some time and I will be glad to yield. If you will give me more time I will stay here the rest of the day.

However, this is a vital question that this Congress will have to answer for sooner or later.

Just this week General Motors announced for the first time that its diesel engines are going to be moved to Great Britain.

A committee of this House on electrical equipment just this week recommended dropping the Royal typewriter as permissible equipment in the offices of the Members of Congress and the Royal Typewriter Co. has moved from its legendary home in Connecticut completely out of the country.

Perhaps, it might have been because of labor. I am not taking total labor, as such, into consideration under title III. I am taking in part the labor cost that has been mandated by the Congress of the United States.

Insofar as labor is concerned, at no time in the history of this Nation—at no time in the history of this Nation—has there ever been a time where the American wage had any less differential than it has today. Yet, when the wage earner was earning 15 cents an hour in 1932 and 1933, the European wage was 2 cents an hour. So, the differential has always been there.

Mr. Speaker, as I have earlier stated, I will offer a series of perfecting amendments to the committee bill for the purpose of modifying timetables prescribed by the bill in accord with the present, and to correct certain deficiencies in the reported language. I hope to offer these amendments *en bloc* tomorrow if provided the opportunity. At this point I would like to describe and, where necessary, discuss the amendments. I am including them in the RECORD to follow my remarks so that all Members may have advance notice and understanding of their import. I am also including in the RECORD at the conclusion of my remarks a copy of the committee bill as it would be amended by my amendments.

Briefly, my amendments—

Change the citation of the legislation from the "Fair Labor Standards Amendments of 1971" to the "Fair Labor Standards Amendments of 1972."

Change the effective date of the legislation from January 1, 1972, to the first day of the first calendar month which begins more than 30 days after the date of enactment, or July 1, 1972, whichever occurs first.

Change the date of the initial increase in the minimum wage rate from January 1, 1972, to the effective date of the legislation—within 60 days, as discussed above.

Change the date of the second increase in the minimum wage rate, where applicable, from January 1, 1972, to 1 year after the effective date of the legislation.

Change the date of the application of the overtime revisions in the bill applicable to transit employees and seasonal industry employees from January 1, 1972, to the effective date of the legislation.

Change the date of the application of the minimum wage provisions to "Other Employees in Puerto Rico and the Virgin Islands" from January 1, 1972, to the effective date of the legislation. The percentage wage increases required are made applicable 60 days after the effective date.

Make other technical and perfecting changes in the Puerto Rico-Virgin Islands provision to clarify the application of the percentage wage increases against the most recent wage orders, clarify the application of the percentage wage increases against the most recent wage order where subsidies are involved, and provide that the minimum wage rate in the islands will not exceed that applicable in the United States.

Apply section 208—Employment of Students—of the bill to the relevant minimum wage rates in Puerto Rico and the Virgin Islands.

Apply section 213—Employment Referrals by Public Employment Service Agencies—of the bill to the relevant minimum wage rates in Puerto Rico and the Virgin Islands.

Make other minor technical improvements in the bill.

Mr. Speaker, the material earlier referred to follows:

AMENDMENTS TO H.R. 7130, AS REPORTED—REVISION OF EFFECTIVE DATE AND OTHER PERFECTING AMENDMENTS

Page 18, line 15, strike out "1971" and insert in lieu thereof "1972".

Page 19, line 3, strike out "effective January 1, 1972,".

Page 19, line 15, strike out "1971, effective January 1,"; insert "during the first year from the effective date of the Fair Labor Standards Amendments of 1972" immediately after "hour" in line 16; strike out "effective January 1, 1973," in line 16; and insert "thereafter" immediately before the period in line 17.

Page 19, line 22, strike out "effective January 1, 1972,"; insert "during the first year from the effective date of the Fair Labor Standards Amendments of 1972" immediately after "hour" in line 22; strike out "effective January 1, 1973," in line 23; and insert "thereafter" immediately before the period in line 24.

Page 20, line 20, insert "6(b)(4)," after "6(a),".

Page 21, strike out line 1 and all that follows down through and including line 16 on page 28 and insert in lieu thereof the following:

"(2)(A) In the case of any such employee who is covered by such a wage order and to whom the rate prescribed by subsection (a) would otherwise apply, the following rates shall apply: Except as provided by paragraph (8), the rate or rates applicable under the most recent such wage order issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972, increased by 25 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6). The increased rate or rates prescribed by this subparagraph (or if such rate or rates are superseded as authorized by this subparagraph, the superseding rate or rates) shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(B) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment under paragraph (6) of a special industry committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by subparagraph (A). Any such application shall be filed before the effective date of the Fair Labor Standards Amendments of 1972.

"(3)(A) In the case of any employee employed in agriculture who is covered by a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5 and to whom the rate or rates prescribed by subsection (b)(4) would otherwise apply, the following rates shall apply:

"(i) Except as provided by paragraph (8), the rate or rates applicable under the most recent such wage order issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972, increased by 16 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the

Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6). The increased rate or rates prescribed by this clause (or if such rate or rates are superseded as authorized by this clause, the superseding rate or rates) shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(ii) Beginning one year after the effective date of the increase prescribed by clause (i), not less than the highest rate or rates (including any increase provided under clause (i)) in effect on the day before the effective date of the rate or rates under this clause under a wage order covering such employee, increased by an amount equal to 16 per centum of the rate or rates applicable under the most recent wage order, covering such employee, issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972 pursuant to the recommendations of a special industry committee appointed under section 5, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6).

"(B) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment under paragraph (6) of a special industry committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by clause (i) or (ii) of subparagraph (A). Any such application with respect to any rate or rates provided for under clause (i) of subparagraph (A) shall be filed before the effective date of the Fair Labor Standards Amendments of 1972, and any such application with respect to any rate or rates provided for under clause (ii) of subparagraph (A) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the increase prescribed by such clause.

"(C) Notwithstanding subparagraph (A) or (B) of this paragraph, in the case of any employee employed in agriculture who is covered by a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5 and whose hourly wage is increased above the wage rate prescribed by such wage order by a subsidy (or income supplement) paid, in whole or in part, by the government of Puerto Rico, the following rates shall apply except as otherwise provided in this subparagraph:

"(i) Except as provided by paragraph (8), the rate or rates applicable under the most recent such wage order issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972, increased by (I) the amount by which such employee's hourly wage is increased above such rate or rates by the subsidy (or other income supplement), and (II) 16 per centum of the sum of the rate or rates under such wage order and such subsidy (or income supplement). The increased rate or rates prescribed by this clause shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(ii) Beginning one year after the effective date of the increase prescribed by clause (i), not less than the highest rate or rates (including the increase provided under clause (i)) in effect on the day before the effective date of the rate or rates under this clause under a wage order covering such employee, increased by an amount equal to 16 per centum of the sum of the rate or rates applicable under the most recent wage order, covering such employee, issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972 pursuant to the recommendations of a special industry committee appointed under section 5 and the amount by which such employee's hourly wage is increased above such rate or rates by the subsidy (or income supplement).

Notwithstanding clause (i) or (ii) of this subparagraph, the minimum wage rate for any employee described in this subparagraph shall not be increased under such clause (i) or (ii) to a rate which exceeds the minimum wage rate in effect under subsection (b)(4).

"(4)(A) In the case of any employee who is covered by a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5 and to whom this section was made applicable by the amendments made to this Act by the Fair Labor Standards Amendments of 1966, the following rates shall apply:

"(i) Except as provided by paragraph (8) the rate or rates applicable under the most recent such wage order issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972, increased by 12.5 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6). The increased rate or rates prescribed by this clause (or if such rate or rates are superseded as authorized by this clause, the superseding rate or rates) shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(ii) Beginning one year after the effective date of the increase prescribed by clause (i), not less than the highest rate or rates (including any increase provided under clause (i)) in effect on the day before the effective date of the rate or rates under this clause under a wage order covering such employee, increased by an amount equal to 12.5 per centum of the rate or rates applicable to the most recent wage order, covering such employee, issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972 pursuant to the recommendations of a special industry committee appointed under section 5, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6).

"(B) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment under paragraph (6) of a special industry committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by clause (i) or (ii) of subparagraph (A). Any such application with respect to any rate or rates provided for under clause (i) of subparagraph (A) shall be filed before the effective date of the Fair Labor Standards Amendments of 1972, and any such application with respect to any rate or rates provided for under clause (ii) of subparagraph (A) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the increase prescribed by such clause.

"(5) Except as provided in section 5(e), in the case of any employee employed in Puerto Rico or the Virgin Islands to whom this section was made applicable by the amendments made by the Fair Labor Standards Amendments of 1972, the Secretary shall, as soon as practicable after the date of enactment of the Fair Labor Standards Amendments of 1972, appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates, in accordance with the standards prescribed by section 8, to be applicable to such employee in lieu of the rate or rates prescribed by subsection (b)(5). The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation, but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(6) (A) The Secretary shall promptly consider any application duly filed under paragraph (2)(B), (3)(B), or (4)(B) for appointment of a special industry committee and may appoint such a special industry committee if he has reasonable cause to believe, on the basis of financial and other information contained in the application, that compliance with any applicable rate or rates prescribed by paragraph (2)(A), (3)(A), or (4)(A), as the case may be, will substantially curtail employment in the industry with respect to which the application was filed. The Secretary's decision upon any such application shall be final. In appointing a special industry committee pursuant to this paragraph the Secretary shall, to the extent possible, appoint persons who were members of the special industry committee most recently convened under section 8 for such industry. Any wage order issued pursuant to the recommendations of a special industry committee appointed under this paragraph shall take effect on the applicable effective date provided in paragraph (2)(A), (3)(A), or (4)(A), as the case may be. If a wage order has not been issued pursuant to the recommendation of a special industry committee appointed under this paragraph prior to the applicable effective date under paragraph (2)(A), (3)(A), or (4)(A), the applicable percentage increase provided by paragraph (2)(A), (3)(A), or (4)(A) shall take effect on the effective date prescribed therein, except with respect to the employees of an employer who filed an application for appointment under this paragraph of a special industry committee and who files with the Secretary an undertaking with a surety or sureties satisfactory to the Secretary for payment to his employees of an amount sufficient to compensate such employees for the difference between the wages they actually receive and the wages to which they are entitled under this subsection. The Secretary shall be empowered to enforce such undertaking and any sums recovered by him shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

"(B) The provisions of section 5 and section 8, relating to special industry committees, shall be applicable to special industry committees appointed under this paragraph. The appointment of a special industry committee under this paragraph shall be in addition to and not in lieu of any special industry committee required to be convened pursuant to section 8(a), except that no special industry committee convened under that section shall hold any hearing within one year after a minimum wage rate or rates for such industry shall have been recommended to the Secretary, by a special industry committee appointed under this paragraph, to be paid in lieu of the rate or rates prescribed by paragraph (2)(A), (3)(A), or (4)(A), as the case may be.

"(7) The minimum wage rate or rates prescribed by this subsection shall be in effect only for so long as and insofar as such minimum wage rate or rates have not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the applicable rate prescribed in subsection (a) or (b)) hereafter issued by the Secretary pursuant to the recommendation of a special industry committee appointed under section 5.

"(8) Notwithstanding any other provision of this subsection, effective on and after sixty days after the effective date of the Fair Labor Standards Amendments of 1972, the wage rate of any employee in Puerto Rico or the Virgin Islands which is subject to paragraph (2), (3), or (4) of this subsection shall be not less than 60 per centum of the wage rate that (but for this subsection) would be applicable to such employee under subsection (a) or (b) of this section."

Page 31, line 2, strike out "Effective January 1, 1972, paragraph" and insert in lieu thereof "Paragraph".

Page 32, line 22, strike out "Effective January 1, 1972, sections" and insert in lieu thereof "Sections".

Page 33, line 5, strike out "Effective January 1, 1972, section" and insert in lieu thereof "Section".

Page 35, line 17, insert after "higher," the following: "(or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(e), at a wage rate not less than 85 per centum of the otherwise applicable rate in effect under section 6)".

Page 38, line 13, insert after "higher," the following: "(or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(e), at a wage rate not less than 85 per centum of the wage rate in effect under section 6(c)(3))".

Page 42, line 1, insert after "agriculture" the following: "or section 6(c) in the case of an individual to be employed in Puerto Rico or the Virgin Islands in employment not described in section 5(e)".

Page 49, strike out lines 20 and 21 and insert in lieu thereof the following:

(f) Section 8 is amended (1) by striking out "the minimum wage prescribed in paragraph (1) of section 6(a)" in the first sentence of subsection (a) and inserting in lieu thereof "the minimum wage rate which would apply under subsection (a) or (b) of section 6 but for section 6(c)", (2) by striking out "the minimum wage rate prescribed in paragraph (1) of section 6(a)" in the last sentence of subsection (a) and inserting in lieu thereof "the otherwise applicable minimum wage rate in effect under subsection (a) or (b) of section 6", and (3) by striking out "prescribed in paragraph (1) of section 6(a)" in subsection (c) and inserting in lieu thereof "in effect under subsection (a) or (b) of section 6 (as the case may be)".

Page 52, strike out lines 12 through 18 and insert in lieu thereof the following:

SEC. 501. (a) Except as provided in sections 104(a), 202(b), 202(c), 205(c), and 205(d) of this Act, the effective date of this Act and the amendments made by this Act is—

(1) the first day of the first calendar month which begins more than thirty days after the date of the enactment of this Act, or

(2) July 1, 1972,

whichever occurs first.

(b) Notwithstanding subsection (a), on the date of enactment of this Act the Secretary of Labor is authorized to prescribe necessary rules, regulations, and orders with regard to this Act and the amendments made by it.

COMMITTEE PRINT—SHOWING TEXT OF COMMITTEE AMENDMENT TO H.R. 7130 AS REVISED BY EFFECTIVE DATE REVISION AND OTHER PERFECTING AMENDMENTS

SHORT TITLE; REFERENCES TO ACT

SECTION 1. (a) This Act may be cited as the "Fair Labor Standards Amendments of 1972".

(b) Whenever in this Act (other than in section 401(j) thereof) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the section or other provision amended or repealed is a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201–219).

TITLE I—INCREASE IN MINIMUM WAGE

NONAGRICULTURAL EMPLOYEES

SEC. 101. (a) Section 6(a) (29 U.S.C. 206(a)) is amended by striking out "(a) Every employer" and all that follows through paragraph (1) and inserting in lieu thereof the following: "(a) Except as provided in this section, every employer shall pay each of his employees who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, at a wage rate of not less than $2 an hour."

(b) Such section is amended by adding after paragraph (5) the following new paragraph:

"(6) If this section was made applicable to such employee by the amendments made to this Act (other than section 18 thereof) by the Fair Labor Standards Amendments of 1966 or the Fair Labor Standards Amendments of 1972 not less than $1.80 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1972; and not less than $2 an hour thereafter."

AGRICULTURAL EMPLOYEES

SEC. 102. Paragraph (5) of section 6(a) is amended to read as follows:

"(5) If such employee is employed in agriculture, not less than $1.50 an hour during the first year from the effective date of the Fair Labor Standards Amendments of 1972; and not less than $1.70 an hour thereafter."

GOVERNMENT, HOTEL, MOTEL, RESTAURANT, AND FOOD SERVICE EMPLOYEES IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 103. Section 5 (29 U.S.C. 205) is amended by adding at the end thereof the following new subsection:

"(e) The provisions of this section, section 6(c), and section 8 shall not apply with respect to the minimum wage rate of any employee employed in Puerto Rico or the Virgin Islands (1) by the United States or by the government of the Virgin Islands, (2) by an establishment which is a hotel, motel, or restaurant, (3) by any other retail or service establishment if such employee is employed primarily in connection with the preparation or offering of food or beverages for human consumption either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or (4) by an establishment described in section 13(g). The minimum wage rate of such an employee shall be determined in accordance with sections 6(a), 6(b)(4), 6(b)(5), 7, 13, and 14 of this Act."

OTHER EMPLOYEES IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 104. (a) Effective on the date of enactment of this Act, section 6(c) is amended by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following:

"(2)(A) In the case of any such employee who is covered by such a wage order and to whom the rate prescribed by subsection (a) would otherwise apply, the following rates shall apply: Except as provided by paragraph (8), the rate or rates applicable under the most recent such wage order issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972, increased by 25 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6). The increased rate or rates prescribed by this subparagraph (or if such rate or rates are superseded as authorized by this subparagraph, the superseding rate or rates) shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(B) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment under paragraph (6) of a special industry committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by subparagraph (A). Any such application shall be filed before the effective date of the Fair Labor Standards Amendments of 1972.

"(3)(A) In the case of any such employee employed in agriculture who is covered by such a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5 and to whom the rate or rates prescribed by subsection (b)(4) would otherwise apply, the following rates shall apply:

"(i) Except as provided by paragraph (8), the rate or rates applicable under the most recent such wage order issued by the Secretary before such the effective date of the Fair Labor Standards Amendments of 1972, increased by 16 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6). The increased rate or rates prescribed by this clause (or if such rate or rates are superseded as authorized by this clause, the superseding rate or rates) shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(ii) Beginning one year after the effective date of the increase prescribed by clause (i), not less than the highest rate or rates (including any increase provided under clause (i)) in effect before such date on the day before the effective date of the rate or rates under this clause under a wage order covering such employee, increased by an amount equal to 16 per centum of the rate or rates applicable to under the most recent wage order covering such employee, issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972 pursuant to the recommendations of a special industry committee appointed under section 5, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry commmittee appointed under paragraph (6).

"(B) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment under paragraph (6) of a special industry committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by clause (i) or (ii) of subparagraph (A). Any such application with respect to any rate or rates provided for under clause (i) of subparagraph (A) shall be filed before the effective date of the Fair Labor Standards Amendments of 1972, and any such application with respect to any rate or rates provided for under clause (ii) of subparagraph (A) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the increase prescribed by such clause.

"(C) Notwithstanding subparagraph (A) or (B) of this paragraph, in the case of any employee employed in agriculture who is covered by a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5 and whose hourly wage is increased above the wage rate prescribed by such wage order by a subsidy (or income supplement) paid, in whole or in part, by the Government of Puerto Rico, the following rates shall apply except as otherwise provided in this subparagraph:

"(i) Except as provided by paragraph (8),

the rate or rates applicable under the most recent such wage order issued by the Secretary before such the effective date of the Fair Labor Standards Amendments of 1972, increased by (I) the amount by which such employee's hourly wage is increased above such rate or rates by the subsidy (or income supplement) and (II) 16 per centum of the sum of the rate or rates under such wage order and such subsidy. The increased rate or rates prescribed by this clause shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(ii) Beginning one year after the effective date of the increase prescribed by clause (i), not less than the highest rate or rates (including the increase provided under clause (i)) in effect on the day before the effective date of the rate or rates under this clause under a wage order covering such employee, increased by an amount equal to 16 per centum of the sum of the rate or rates applicable to under the most recent wage order covering such employee, issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972 pursuant to the recommendations of a special industry committee appointed under section 5 and the amount by which such employee's hourly wage is increased above such rate or rates by the subsidy (or income supplement). Notwithstanding clause (i) or (ii) of this subparagraph, the minimum wage rate for any employee described in this subparagraph shall not be increased under such clause (i) or (ii) to a rate which exceeds the minimum wage rate in effect under subsection (b)(4).

"(4)(A) In the case of any such employee who is covered by a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5 and to whom this section was made applicable by the amendments made to this Act by the Fair Labor Standards Amendments of 1966, the following rates shall apply:

"(i) Except as provided by paragraph (8), the rate or rates applicable under the most recent such wage order issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972, increased by 12.5 per centum, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under paragraph (6). The increased rate or rates prescribed by this clause (or if such rate or rates are superseded as authorized by this clause, the superseding rate or rates) shall take effect sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(ii) Beginning one year after the effective date of the increase prescribed by clause (i), not less than the highest rate or rates (including any increase provided under clause (i)) in effect on the day before the effective date of the rate or rates under this clause under a wage order covering such employee, increased by an amount equal to 12.5 per centum of the rate or rates applicable to the most recent wage order covering such employee, issued by the Secretary before the effective date of the Fair Labor Standards Amendments of 1972 pursuant to the recommendations of a special industry committee appointed under section 5, unless such rate or rates are superseded by the rate or rates prescribed in a wage order issued by the Secretary pursuant to the recommendations of a special industry committee appointed under pargaraph (6).

"(B) Any employer, or group of employers, employing a majority of the employees in an industry in Puerto Rico or the Virgin Islands, may apply to the Secretary in writing for the appointment under paragraph (6) of a special industry committee to recommend the minimum rate or rates to be paid such employees in lieu of the rate or rates provided by clause (i) or (ii) of subparagraph (A). Any such application with respect to any rate or rates provided for under clause (i) of subparagraph (A) shall be filed before the effective date of the Fair Labor Standards Amendments of 1972, and any such application with respect to any rate or rates provided for under clause (ii) of subparagraph (A) shall be filed not more than one hundred and twenty days and not less than sixty days prior to the effective date of the increase prescribed by such clause.

"(5) Except as provided in section 5(e), in the case of any employee employed in Puerto Rico or the Virgin Islands to whom this section was made applicable by the amendments made by the Fair Labor Standards Amendments of 1972, the Secretary shall, as soon as practicable after the date of enactment of the Fair Labor Standards Amendments of 1972, appoint a special industry committee in accordance with section 5 to recommend the highest minimum wage rate or rates, in accordance with the standards prescribed by section 8, to be applicable to such employee in lieu of the rate or rates prescribed by subsection (b)(5). The rate or rates recommended by the special industry committee shall be effective with respect to such employee upon the effective date of the wage order issued pursuant to such recommendation, but not before sixty days after the effective date of the Fair Labor Standards Amendments of 1972.

"(6)(A) The Secretary shall promptly consider any application duly filed under paragraph (2)(B), (3)(B), or (4)(B) for appointment of a special industry committee and may appoint such a special industry committee if he has reasonable cause to believe, on the basis of financial and other information contained in the application, that compliance with any applicable rate or rates prescribed by paragraph (2)(A), (3)(A), or (4)(A), as the case may be, will substantially curtail employment in the industry with respect to which the application was filed. The Secretary's decision upon any such application shall be final. In appointing a special industry committee pursuant to this paragraph the Secretary shall, to the extent possible, appoint persons who were members of the special industry committee most recently convened under section 8 for such industry. Any wage order issued pursuant to the recommendations of a special industry committee appointed under this paragraph shall take effect on the applicable effective date provided in paragraph (2)(A), (3)(A), or (4)(A), as the case may be. If a wage order has not been issued pursuant to the recommendation of a special industry committee appointed under this paragraph prior to the applicable effective date under paragraph (2)(A), (3)(A), or (4)(A), as the case may be, the applicable percentage increase provided by paragraph (2)(A), (3)(A), or (4)(A) shall take effect on the effective date prescribed therein, except with respect to the employees of an employer who filed an application for appointment under this paragraph of a special industry committee and who files with the Secretary an undertaking with a surety or sureties satisfactory to the Secretary for payment to his employees of an amount sufficient to compensate such employees for the difference between the wages they actually receive and the wages to which they are entitled under this subsection. The Secretary shall be empowered to enforce such undertaking and any sums recovered by him shall be held in a special deposit account and shall be paid, on order of the Secretary, directly, to the employee or employees affected. Any such sum not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts.

"(B) The provisions of section 5 and section 8, relating to special industry committees, shall be applicable to special industry committees appointed under this paragraph. The appointment of a special industry committee under this paragraph shall be in addition to and not in lieu of any special industry committee required to be convened pursuant to section 8(a), except that no special industry committee convened under that section shall hold any hearing within one year after a minimum wage rate or rates for such industry shall have been recommended to the Secretary, by a special industry committee appointed under this paragraph, to be paid in lieu of the rate or rates prescribed by paragraph (2)(A), (3)(A), or (4)(A), as the case may be.

"(7) The minimum wage rate or rates prescribed by this subsection shall be in effect only for so long as and insofar as such minimum wage rate or rates have not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the applicable rate prescribed in subsection (a) or (b)) hereafter issued by the Secretary pursuant to the recommendation of a special industry committee appointed under section 5.

"(8) Notwithstanding any other provision of this subsection, effective on and after sixty days after the effective date of the Fair Labor Standards Amendments of 1972, the wage rate of any employee in Puerto Rico or the Virgin Islands which is subject to paragraph (2), (3), (4), or (5) of this subsection shall be not less than 60 per centum of the wage rate that (but for this subsection) would be applicable to such employee under subsection (a) or (b) of this section."

(b)(1) The last sentence of section 8(b) (29 U.S.C. 208(b)) is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "except that the committee shall recommend to the Secretary the minimum wage rate prescribed in section 6 (a) or (b), which would be applicable but for section 6(c), unless there is substantial documentary evidence, including pertinent unabridged profit and loss statements and balance sheets for a representative period of years, in the record which establishes that the industry, or a predominant portion thereof, is unable to pay that wage."

(2) The third sentence of section 10(a) (29 U.S.C. 210(a)) is amended by inserting after "modify" the following: "(including provision for the payment of an appropriate minimum wage rate)".

TITLE II—EXTENSION OF COVERAGE; REVISION OF EXEMPTIONS

FEDERAL AND STATE EMPLOYEES

SEC. 201. (a)(1) Subsection (d) of section 3 (29 U.S.C. 203) is amended to read as follows:

"(d) 'Employer' includes any person acting directly or indirectly in the interest of an employer in relation to an employee and includes the United States or any State or political subdivision of a State, but does not include any labor organization (other than when acting as an employer) or anyone acting in the capacity of officer or agent of such labor organization."

(2) Subsection (r) of section 3 is amended by inserting "or" at the end of paragraph (2) and by inserting after that paragraph the following new paragraph:

"(3) in connection with the activities of the Government of the United States or of any State or political subdivision of a State,".

(3) Subsection (s) of section 3 is amended—

(A) by striking out "or" at the end of paragraph (3),

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and

(C) by adding after paragraph (4) the following new paragraph:

"(5) is an activity of the Government of

the United States or of any State or political subdivision of a State.".

(b) Section 13(b) (29 U.S.C. 213(b)) is amended by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or" and by adding after that paragraph the following:

"(20) any employee of a State or political subdivision of a State engaged in fire protection or law enforcement activities."

(c) Subsection (b) of section 18 (29 U.S.C. 218) is amended to read as follows:

"(b) Notwithstanding any other provision of this Act (other than section 13(f)) or any other law, any employee employed in a Federal nonappropriated fund instrumentality shall have his basic pay fixed or adjusted at an hourly wage rate which is not less than the rate in effect under section 6(a) and shall have his overtime pay fixed or adjusted at an hourly wage rate which is not less than the rate prescribed by section 7(a)."

TRANSIT EMPLOYEES

SEC. 202. (a) Paragraph (7) of section 13(b) (29 U.S.C. 213(b)) is amended by inserting immediately before the semicolon the following: "and if such employee receives compensation for employment in excess of forty-eight hours in any workweek at a rate not less than one and one-half times the regular rate at which he is employed".

(b) Effective January 1, 1973, such paragraph is amended by striking out "forty-eight hours" and inserting in lieu thereof "forty-four hours".

(c) Effective January 1, 1974, such paragraph is repealed.

(d) Section 7 (29 U.S.C. 207) is amended by adding at the end thereof the following new subsection:

"(k) In the case of an employee of an employer engaged in the business of operating a street, suburban, or interurban electric railway, or local trolley or motorbus carrier, whose rates and services are subject to regulation by a State or local agency, in determining the hours of employment of such an employee to which the rate prescribed by subsection (a) applies there shall be excluded the hours such employee was employed in charter activities by such employer if (1) the employee's employment in such activities was pursuant to an agreement or understanding with his employer arrived at before engaging in such employment, and (2) if employment in such activities is not part of such employee's regular employment."

NURSING HOME EMPLOYEES

SEC. 203. (a) Paragraph (8) of section 13(b) is amended by striking out "any employee who (A) is employed by an establishment which is an institution (other than a hospital) primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises" and the remainder of that paragraph.

(b) Section 7(j) (29 U.S.C. 207(j)) is amended by inserting after "a hospital" the following: "or an establishment which is an institution (other than a hospital) primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises".

SUGAR EMPLOYEES

SEC. 204. Paragraph (15) of section 13(b) is amended by striking out ", or in the processing of sugar beets, sugar beet molasses, sugarcane, or maple sap, into sugar (other than refined sugar) or syrup".

SEASONAL INDUSTRY EMPLOYERS

SEC. 205. (a) Sections 7(c) and 7(d) are each amended—

(1) by striking out "ten workweeks" and inserting in lieu thereof "seven workweeks",

(2) by striking out "fourteen workweeks" and inserting in lieu thereof "ten workweeks", and

(3) by striking out "ten hours" and inserting in lieu thereof "nine hours".

(b) Section 7(c) is amended by striking out "fifty hours" and inserting in lieu thereof 'forty-eight hours".

(c) Effective January 1, 1973, sections 7(c) and 7(d) are each amended—

(1) by striking out "seven workweeks" and inserting in lieu thereof "five workweeks", and

(2) by striking out "ten workweeks" and inserting in lieu thereof "seven workweeks".

(d) Effective January 1, 1974, sections 7(c) and 7(d) are repealed.

DOMESTIC SERVICE EMPLOYEES EMPLOYED IN HOUSEHOLDS

SEC. 206. (a) The Congress finds that the employment of persons in domestic service in households directly affects commerce because the provision of domestic services affects the employment opportunities of members of households and their purchasing activities. The minimum wage and overtime protection of the Fair Labor Standards Act of 1938 should have been available to such persons since its enactment. It is the purpose of the amendments made by subsection (b) of this section to assure that such persons will be afforded such protection.

(b)(1) Section 6 is amended by adding after subsection (e) the following new subsection:

"(f) Any employee who in any workweek is employed in domestic service in a household shall be paid wages at a rate not less than the wage rate in effect under section 6(b)(5) unless such employee's compensation for such service would not, as determined by the Secretary, constitute 'wages' under section 209 of the Social Security Act."

(2) Section 7 is amended by adding after the subsection added by section 202(d) the following new subsection:

"(l) Subsection (a) shall apply with respect to any employee who in any workweek is employed in domestic service in a household unless such employee's compensation for such service would not, as determined by the Secretary, constitute 'wages' under section 209 of the Social Security Act."

(3) Section 13(a) is amended by striking out "or" at the end of paragraph (13), by striking out the period at the end of paragraph (14) and inserting "; or", and by adding at the end thereof the following:

"(15) any employee who is employed in domestic service in a household and who resides in such household."

EQUAL PAY FOR EQUAL WORK

SEC. 207. (a) The portion of section 13(a) preceding paragraph (1) is amended by inserting "(other than section 6(d) in the case of paragraph (1) of this subsection)" immediately after "section 6".

(b) It is the intent of Congress that, notwithstanding any other provision of law, the remedies provided by section 16 of the Fair Labor Standards Act of 1938 shall be available to any employee against an employer who violates section 6(d) of such Act.

EMPLOYMENT OF STUDENTS

SEC. 208. (a) Subsections (b) and (c) of section 14 (29 U.S.C. 214) is amended to read as follows:

"(b) The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by special certificate issued under a regulation or order provide for the employment, at a wage rate not less than 85 per centum of the otherwise applicable wage rate in effect under section 6 or not less than $1.60 an hour, whichever is the higher, (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(e), at a wage rate not less than 85 per centum of the otherwise applicable wage rate in effect under section 6) of full-time students (regardless of age but in compliance with applicable child labor laws) in any occupation other than—

"(1) occupations in mining,

"(2) occupations in manufacturing,

"(3) occupations in warehousing and storage,

"(4) occupations in construction,

"(5) the occupation of a longshoreman,

"(6) occupations in or about plants or establishments manufacturing or storing explosives or articles containing explosive components,

"(7) the occupation of a motor vehicle driver or outside helper,

"(8) logging occupations and occupations in the operation of any sawmill, lathmill, shingle mill, or cooperage stock mill,

"(9) occupations involved in the operation of powerdriven woodworking machines,

"(10) occupations involving exposure to radioactive substances and ionizing radiation,

"(11) occupations involved in the operation of power-driven hoisting apparatus,

"(12) occupations involved in the operation of power-driven metal forming, punching, and shearing machines,

"(13) occupations involving slaughtering, meat packing or processing, or rendering,

"(14) occupations involved in the operation of bakery machines,

"(15) occupations involved in the operation of paper products machines,

"(16) occupations involved in the manufacture of brick, tile, or kindred products,

"(17) occupations involved in the operation of circular saws, band saws, or guillotine shears,

"(18) occupations involved in wrecking, demolition, or shipbreaking operations,

"(19) occupations in roofing operations,

"(20) occupations in excavation operations, or

"(21) any other occupation determined by the Secretary to be particularly hazardous for the employment of such students. Such special certificate shall provide that such students shall, except during vacation periods, be employed on a part-time basis (not to exceed twenty hours in any workweek). The Secretary may not issue any special certificate under this subsection for the employment of a student by any employer if the issuance of such special certificate will cause the number of students employed by such employer under special certificates issued under this subsection to exceed four, unless the Secretary finds the employment of such student will not create a substantial probability of reducing the full-time employment opportunities of persons other than those employed under special certificates issued under this subsection. If the issuance of a special certificate under this subsection for an employer will not cause the number of students employed by such employer under special certificates issued under this subsection to exceed four, the Secretary may issue a special certificate under this subsection for the employment of a student by such employer if such employer certifies to the Secretary that the employment of such student will not reduce the full-time employment opportunities of persons other than those employed under special certificates issued under this subsection.

"(c) The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by special certificate issued under a regulation or order provide for the employment, at a wage rate not less than 85 per centum of the wage rate in effect under section 6(b)(4) or not less than $1.30 an hour, whichever is the higher (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(e), at a wage rate not less than 85 per centum of the wage rate in effect under section 6(c)(3)) of full-time students (regardless of age but in compliance with applicable child labor laws) in any occupation in agriculture other than an oc-

cupation determined by the Secretary to be particularly hazardous for the employment of such students. Such special certificate shall provide that such students shall, except during vacation periods, be employed on a part-time basis (not to exceed twenty hours in any workweek). The Secretary may not issue any special certificate under this subsection for the employment of a student by any employer if the issuance of such special certificate will cause the number of students employed by such employer under special certificates issued under this subsection to exceed four, unless the Secretary finds the employment of such student will not create a substantial probability of reducing the full-time employment opportunities of persons other than those employed under special certificates issued under this subsection. If the issuance of a special certificate under this subsection for an employer will not cause the number of students employed by such employer under special certificates issued under this subsection to exceed four, the Secretary may issue a special certificate under this subsection for the employment of a student by such employer if such employer certifies to the Secretary that the employment of such student will not reduce the full-time employment opportunities of persons other than those employed under special certificates issued under this subsection.

(b) Section 14 is further amended by adding at the end the following new subsection:

"(e) The Secretary may by regulation or order provide that sections 6 and 7 shall not apply with respect to the employment by any elementary or secondary school of its students if such employment constitutes, as determined under regulations prescribed by the Secretary, an integral part of the regular education program provided by such school."

(c) Section 4(d) (29 U.S.C. 204(d)) is amended by adding at the end thereof the following new sentence: "Such report shall also include a summary of the special certificates issued under sections 14(b) and 14(c).".

EMPLOYEES OF PRESCHOOL CENTERS

SEC. 209. (a) Sections 3(r)(1) and 3(s)(4) are each amended—

(1) by inserting "preschool center," immediately after "elementary or secondary school,"; and

(2) by striking out "or school" and inserting in lieu thereof "preschool center, or school".

(b) Section 13(a)(1) is amended by inserting "or preschool centers" immediately after "elementary or secondary schools".

LAUNDRY AND CLEANING ESTABLISHMENTS TO BE CONSIDERED SERVICE ESTABLISHMENTS FOR CERTAIN PURPOSES

SEC. 210. In the administration of sections 7(i) (relating to commission employees) and 13(a)(1) (relating to executive and administrative personnel and outside salesmen) of the Fair Labor Standards Act of 1938, establishments engaged in laundering, cleaning, or repairing clothing or fabrics shall be considered service establishments.

MAIDS AND CUSTODIAL EMPLOYEES OF HOTELS AND MOTELS

SEC. 211. Section 13(b)(8) is amended by inserting after "employee" the first time it appears the following: "(other than an employee of a hotel or motel who is employed to perform maid or custodial services)".

EMPLOYEES OF CONGLOMERATES

SEC. 212. Section 13 is amended by adding at the end thereof the following:

"(g) Subsection (a) (other than paragraph (1) thereof) and subsection (b) (other than paragraphs (1), (2), and (3) thereof) shall not apply with respect to any employee employed by an establishment (1) which controls, is controlled by, or is under common control with, another establishment the activities of which are not related for a common business purpose to the activities of the establishment employing such employee; and (2) whose annual gross volume of sales made or business done, when combined with the annual gross volume of sales made or business done by each establishment which controls, is controlled by, or is under common control with, the establishment employing such employee, exceeds $5,000,000 (exclusive of excise taxes at the retail level which are separately stated)."

EMPLOYMENT REFERRALS BY PUBLIC EMPLOYMENT SERVICE AGENCIES

SEC. 213. No public employment service agency may assist in the placement of any individual (other than an individual with respect to whose employment section 14 applies) with an employer who will pay such individual at a wage rate less than the wage rate in effect under section 6(b)(5) (or section 6(b)(4) in the case of an individual to be employed in agriculture or section 6(c) in the case of an individual to be employed in Puerto Rico or the Virgin Islands in employment not described in section 5(e)). Each such agency shall (1) keep current a list of each job which is offered at a location within the area served by the agency and which is offered by the United States or by any other employer who is provided Federal funds to pay all or part of the compensation for such job; and (2) make such list available to each individual seeking employment through the agency.

EMPLOYMENT OF ILLEGAL ALIENS

SEC. 214. Section 4 (29 U.S.C. 204) is amended by adding the following new subsections after the subsections added by section 301(c):

"(g) Any employer subject to this Act, including any person acting as an agent of such employer, who knowingly employs any alien who is in the United States in violation of law or in an immigration status in which such employment is not authorized, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both, for each alien in respect to whom any violation of this subsection occurs.

"(h) Any contract subject to the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), the Act of June 30, 1936 (41 U.S.C. 35–45, known as the Walsh-Healey Act), or the Service Contract Act of 1965 (41 U.S.C. 351–357) shall contain, in addition to the provisions required by such Acts, a provision by which the contractor agrees not to employ in the performance of such contract any alien who is in the United States in violation of law or in an immigration status in which such employment is not authorized. Any violation of such contract provision will be subject to the penalties provided in such Act, as well as in this Act.

"(i) Neither the Secretary nor the Attorney General shall, by rule or regulation, grant any general exemption to, or waiver of, this provision, with respect to any class of employers or employees."

TITLE III—RELIEF FOR DOMESTIC INSTITUTIONS AND EMPLOYEES INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

RELIEF FOR DOMESTIC INSTITUTIONS AND EMPLOYEES INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

SEC. 301. (a) Subsection (a) of section 2 (29 U.S.C. 202) is amended to read as follows:

"(a) The Congress finds that the existence, in industries engaged in commerce or in the production of goods for commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers and the unregulated importation of goods produced by industries in foreign nations under such conditions (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate such labor conditions among the workers of the several States; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce."

(b) Section 2 is further amended by adding after subsection (b) the following new subsection:

"(c) It is further declared to be the policy of this Act, through the exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to provide for the regulation of imports of goods in such manner as will correct and as rapidly as possible eliminate any serious impairment or threat of impairment to the health, efficiency, and general well-being of any group of workers in the United States and the economic welfare of the communities in which they are employed from conditions above referred to in the industries providing them employment in which increased imports are a substantially contributing factor."

(c) Section 4 (29 U.S.C. 204) is amended by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) Upon the request of the President, or upon resolution of either House of Congress, or upon application of the representative of any employee organization in a domestic industry, or upon application of any interested party, or upon his own motion, the Secretary of Labor shall promptly make an investigation and make a report thereon not later than four months after the application is made to determine whether any product is being imported into the United States under such circumstances, due in whole or in part to the fact that such foreign goods were produced under conditions such as those referred to in subsection (a) of section 2 of this Act which are causing or substantially contributing to serious impairment or threat of impairment to the health, efficiency, and general well-being of any group of workers in the United States or to the economic welfare of the community in which any such group of workers are employed.

"(2) In the course of any such investigation the Secretary or his delegate shall hold hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

"(3) Should the Secretary find, as a result of the investigation and hearings, that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, he shall promptly report his finding to that effect to the President. The Secretary shall immediately make public his findings and report to the President, and shall cause a summary thereof to be published in the Federal Register.

"(4) Upon receipt of the report of the Secretary containing a finding that an imported product is or likely will be sold in competition with like or competitive goods produced in the United States under such circumstances, the President shall take such action as he deems appropriate to remove such impairment or threat of impairment, in addition to any other customs treatment provided by law.

"(f) In the case of any contract—

"(1) which is for the manufacturing or

furnishing of materials, supplies, articles, or equipment,

"(2) which is an amount exceeding $10,000,

"(3) which is to be performed outside any State, but is for goods, supplies, articles, or equipment to be used within a State, and

"(4) to which the United States or any agency or instrumentality thereof, any territory, or the District of Columbia is a party or under which payment is to be made in whole or in part from loans or grants from, or loans insured or guaranteed by, the United States or any agency or instrumentality thereof,

such contract shall require (A) all persons employed by the contractor in carrying out the contract to be employed on terms and conditions which are not substantially less favorable to such persons than those which would be required under this Act if the contract were to be performed within a State, and (B) the contractor to make such reports, in such form and containing such information, as may be required to enable the contracting agency (or such other Federal agency as the President may designate) to insure that the contractor complies with provisions of the contract required by this subsection, and to keep such records and afford such access thereto as such agency may find necessary to assure the correctness and verification of such reports."

TITLE IV—TECHNICAL AMENDMENTS

CONFORMING AMENDMENTS

SEC. 401. (a) Section 3(s)(1) is amended by striking out "during the period February 1, 1967" and all that follows down through "and beginning February 1, 1969,".

(b) Section 6(a) is amended—

(1) by inserting before paragraph (2) the following:

"(b) In lieu of the wage rate prescribed by subsection (a), every employer shall pay each of his employees (described in a paragraph of this subsection) who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, wages, at the following rates:";

(2) in paragraph (2), by striking out "(2) if" and inserting in lieu thereof "(1) If" and by striking out the semicolon at the end and inserting in lieu thereof a period;

(3) in paragraph (3)—

(A) by striking out "(3) if" and inserting in lieu thereof "(2) If",

(B) by striking out "in lieu of the rate or rates provided by this subsection or subsection (b),", and

(C) by striking out "paragraph (1) of this subsection;" and inserting in lieu thereof "subsection (a).";

(4) in paragraph (4)—

(A) by striking out "(4) if" and inserting in lieu thereof "(3) If",

(B) by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subsection (a)", and

(C) by striking out "; or" and inserting in lieu thereof a period; and

(5) by redesignating paragraphs (5) and (6) (as amended by sections 101(b) and 102) as paragraphs (4) and (5), respectively.

(c) Subsection (b) of section 6 (as in effect on the date of enactment of this Act) is repealed.

(d) Section 6(e) is amended to read as follows:

"(e) Notwithstanding the provisions of section 13 of this Act (except subsections (a)(1) and (f) thereof), every employer providing any contract services under a contract with the United States or any subcontract thereunder shall pay to each of his employees whose rate of pay is not governed by the Service Contract Act of 1965 (41 U.S.C. 351–357) or to whom subsection (a) of this section is not applicable, wages at a rate not less than the rate provided for in such subsection."

(e) Section 7 is amended by striking out "(1)" and paragraph (2) in subsection (a).

(f) Section 8 is amended (1) by striking out "the minimum wage prescribed in paragraph (1) of section 6(a)" in the first sentence of subsection (a) and inserting in lieu thereof "the minimum wage rate which would apply under subsection (a) or (b) of section 6 but for section 6(c)", (2) by striking out "the minimum wage rate prescribed in paragraph (1) of section 6(a)" in the last sentence of subsection (a) and inserting in lieu thereof "the otherwise applicable minimum wage rate in effect under subsection (a) or (b) of section 6", and (3) by striking out "prescribed in paragraph (1) of section 6(a)" in subsection (c) and inserting in lieu thereof "in effect under subsection (a) or (b) of section 6 (as the case may be).

(g) Section 13(b) is amended by striking out "(1)" in paragraph (13).

(h) Section 13(e) is amended by striking out "6(a)(3)" each place if occurs and inserting in lieu thereof "6(b)(2)".

(i) Section 16(d) is amended by striking out "6(a)(3)" and inserting in lieu thereof "6(b)(2)".

(j)(1) Section 5341(a) of title 5 of the United States Code is amended by striking out "206(a)(1)" and inserting in lieu thereof "206(a)".

(2) Section 303(a)(2) of the Consumer Credit Protection Act (15 U.S.C. 1673(a)(2)) is amended by striking out "6(a)(1)" and inserting in lieu thereof "6(a)".

(3) Section 2(b)(1) of the Service Contract Act of 1965 (41 U.S.C. 351(b)(1)) is amended by striking out "6(a)(1)" and inserting in lieu thereof "6(a)".

(4) Section 610–1(a) of the Economic Opportunity Act of 1964 (42 U.S.C. 2951(a)) is amended by striking out "6(a)(1)" and inserting in lieu thereof "6(a)".

UPDATING AMENDMENTS

SEC. 402. (a) Sections 3(m), 4(b), 4(c), 4(d), 5, 6(b)(1) (as so redesignated by section 401), 7(e)(3), 7(g)(3), 8(a), 8(b), 8(e), 8(f), 11, 15(a)(1), 15(a)(2) and 16(c) are each amended by striking out "Administrator" each place it occurs and inserting in lieu thereof "Secretary".

(b) Section 10(b) is amended by striking out "Administrator's" and inserting in lieu thereof "Secretary's".

(c)(1) Sections 3(l)(2) and 12(b) are each amended by striking out "Chief of the Children's Bureau in the Department of Labor" and inserting in lieu thereof "Secretary".

(2) Section 3(l)(2) and the last sentence of section 3(l) are each amended by striking out "Chief of the Children's Bureau" each place it occurs and inserting in lieu thereof "Secretary".

(3) Section 9 is amended by striking out "Administrator, the Chief of the Children's Bureau," and inserting in lieu thereof "Secretary".

(4) Section 11(b) is amended by striking out "and the Chief of the Children's Bureau".

(d) Section 4(a) is amended by striking out ", and shall receive compensation at the rate of $15,000 a year".

(e) Section 4(b) is amended—

(1) by striking out "civil service laws" and inserting in lieu thereof "provisions of title 5 of the United States Code governing appointments in the competitive service"; and

(2) by striking out "Classification Act of 1923, as amended" and inserting in lieu thereof "provisions of such title relating to classification and General Schedule pay rates".

(f) The section heading for such section is amended by striking out "ADMINISTRATOR" and inserting in lieu thereof "ADMINISTRATION".

(g) Section 13(a)(1) is amended by striking out "Administrative Procedure Act" and inserting in lieu thereof "provisions of subchapter II of chapter 5 of title 5 of the United States Code (relating to administrative procedure)".

(h) Section 13(b)(9) is amended by striking out "Bureau of the Budget" and inserting in lieu thereof "Office of Management and Budget".

TITLE V—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 501. (a) Except as provided in sections 104(a), 202(b), 202(c), 205(c), and 205(d) of this Act the effective date of this Act and the amendments made by this Act is—

(1) the first day of the first calendar month which begins more than thirty days after the date of the enactment of this Act, or

(2) July 1, 1972,

whichever occurs first.

(b) Notwithstanding subsection (a), on the date of enactment of this Act the Secretary of Labor is authorized to prescribe necessary rules, regulations, and orders with regard to this Act and the amendments made by it.

Mr. MADDEN. Mr. Speaker, I yield 15 minutes to the gentleman from Mississippi (Mr. COLMER).

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

Mr. MARTIN. Mr. Speaker, will the gentleman yield to me just briefly?

Mr. COLMER. I would be happy to yield to the gentleman from Nebraska.

Mr. MARTIN. I want to correct one statement made by the gentleman from Pennsylvania when he alluded to legislation similar to title III as contained in this bill a few years back.

This was not exactly the same as title III wherein here it provides a minimum wage mandatorily to the cutoff and use of supplies manufactured in foreign countries under contracts of over $10,000.

It was not at all the same thing as contained in this bill.

Mr. DENT. Mr. Speaker, if the gentleman from Mississippi will yield to me, I want to state that that is only an application of a law that was passed by this Congress years ago when we passed the Walsh-Healey Act where we included everybody whether covered by the minimum wage law or not, and made them all comply the same as covered employers were compelled to comply with.

Mr. COLMER. Mr. Speaker, we have been hearing a great deal about the most recent action of the President of the United States in Vietnam. We have heard very little about a very important matter here that we propose to consider under this rule—a domestic matter that, in the judgment of this humble person, is even more important than the Vietnam situation.

Now, the Vietnam situation is serious, and I do not mean to minimize it at all. The President has taken a calculated risk there, but I am not going into that. I have said in the well of this House time after time, in my humble service here, that I fear more what we are going to do to ourselves in this country, and to our cherished form of government, than I do about communism or any foreign invasion or attack.

This in my judgment is a perfect illustration of what I have been trying to say. We are going to come out of the Vietnam

situation in some way, but here we are adding to our domestic problems.

What are the two chief domestic problems that this country faces today? No. 1, inflation, ruinous inflation. No. 2, unemployment.

Now, this bill is captioned something about—and I do not have it in front of me right now—a fair labor standards bill that would up the pay of another minority group. Maybe it should be entitled "A bill to accentuate, speed up ruinous inflation, and to add to unemployment," because in my judgment that is exactly what this bill is going to do.

Oh, we shed crocodile tears and other types of tears, political and otherwise, about the poor man, and we raise the flag about the fat cats, and try to make the contrast. Do you know who this bill is going to hurt most? It is going to hurt the very people you are talking about trying to help, the poor, the black, and the underprivileged. It is going to hurt them from two approaches: one, by the inflation that it is going to bring about—and I do not care what anybody says, you cannot tell me, when you put that much additional money into the market, that it will not add to inflation.

It is going to make them pay more for what they have to purchase. Many of those are in this fringe group. They are the ones that this bill is supposed to help—a lot of them are going to lose their jobs.

Additionally, for instance, under this bill a woman, a working woman, one of these underpaid women is going to be forced to pay $2 an hour—the same $2 an hour that she would get under the provisions of the bill to the babysitter that she is going to have to pay back home to look after the children that she has left there.

Does that make sense?

I repeat—the people who are going to be hurt the most are the very people that they talk of helping. Of course, we want to see these people prosper and we want to see these people better off. But let me say to those of you who may be interested, and I do not say this for any self-serving purpose—but I happen to come from that type of stock—I started out at 10 years of age working for 50 cents a day, 12 hours a day. I worked my way through high school and college and so on. My father was a skilled laborer. I know something about this. My sympathy is with those people, but I do not want to aggravate the situation. Of course, I realize that if we do not stop inflation that the wage-price spiral is going to continue. These people are now suffering from inflation but we do not improve the situation by continuing to feed the fires of inflation.

Now there are some people who think there is political hay to be made out of this legislation. Here we are in an election year, they think, and we are going to get another minority group lined up for this party or against that party or vice versa.

It is not going to do any such thing. There is not a Member of this House who is going to profit politically by this. Certainly, my party, the leadership of which has been pressing for this legislation, is not going to gain anything by it either.

If this thing continues, and I am just repeating what I have said on this floor before—this ruinous inflation, if it continues, then this poor woman and this poor man that you are talking about is going to have to take a wheelbarrow load of money to the market to bring back an armful of groceries.

We have seen it happen in other countries and we do not want it to happen here.

Now I know I should not say what I am going to say. I know that it is not popular. But, I recall back when I was a student studying history that a great English historian by the name of Macaulay—and you are familiar, of course, with some of his works—made a strong prophecy. He wrote to a friend here in America some time after we had adopted our cherished American Magna Charta, the Constitution. In part, he said:

> Your constitution will not work. It is a beautiful article.

He said:

> Your constitution is all sail and no anchor. The day will come in your country when you will have your Manchesters and your Birminghams just as we have in this country and the demands of the working class will become so great that your politicians will not be able to resist and you are going to lose your beautiful constitution.

I hope he was wrong, but I have seen so many demands—not only labor but other organized minorities, acceded to by our leaders, that I am deeply concerned.

This country has been and is being ruled by organized minorities. Of course, I am not talking about the black minority alone. I am talking about minorities generally that become organized.

There is only one answer to it and that is that the unorganized majority must organize to resist the organized minorities.

There is so much I could say about this bill if time permitted. But let nobody vote for this bill under the mistaken idea that he is going to profit politically by it in the long run—no individual and no party—because sometime there is going to be a day of reckoning. We see signs of it now in the primaries that have been held. There is going to be a revolt of the people against what they now term the establishment. A taxpayers' revolt is on the way.

Mr. Speaker, before I close these remarks, which I fear will fall on the deaf ears of the few now in the Chamber, I would like to say something about the proposed Erlenborn-Fuqua-Quie substitute, for, I am a practical as well as idealistic person. I realize that in this election year with the strong forces behind this increase provided in the proposed legislation that there is going to be a bill passed. Therefore, when it appeared that we would not be able to hold the bill in the Rules Committee, I conferred with some of these gentlemen and urged a compromise substitute. The Rules Committee made this Erlenborn-Fuqua-Quie bill in order. When the bill is considered in the Committee of the Whole these gentlemen will explain the provisions of their bill. In brief, it would limit the coverage to existing legislation removing State, county, and municipal governments from the coverage contained in the Dent bill. It has other advantages which, as I stated, will be explained. While the substitute is an improvement over the committee bill, it still would add to inflation and unemployment. While I expect to support this substitute in the Committee of the Whole for basic reasons I have stated, I could not support it on final passage. Moreover, Mr. Speaker, I am deeply concerned that even if we pass this substitute that the now more liberal body of Congress, the Senate, will pass an even more objectionable bill. Should this happen, as I fear it will, we will then be faced by the conferees from the House yielding to the conferees from the Senate.

The bill should not pass, certainly not at this time, when the administration is endeavoring to hold the line on inflation.

Let it be noted further, that the guidelines of the President's Wage and Price Control Board limits increases to 5½ percent, while this bill raises the increase to 25 percent. In other words, the Congress would by passing this bill place itself in direct conflict with the President's efforts to curb inflation.

Mr. Speaker, I love this country. I want to see this form of government that gave my father, a laboring man, and gave me, a poor boy, an opportunity to advance, to improve our lot in life. Let us not destroy that.

I know that election is important. I know many people prize these seats most highly. But each and every one of you is expendable. At the most you are here only a comparatively few years. But this Government, conceived by our forefathers, the system that has made this Nation the envy of the world, is not expendable.

Mr. MADDEN. Mr. Speaker, I yield myself 3 minutes.

I admire the gentleman from Mississippi for his efforts as a young man. He quoted that he received 50 cents a day in grade and high school, but he did not say that in those days you could buy a hamburger for 5 cents, a movie for 5 or 10 cents, and you could ride a streetcar for a nickel, but today the cost of living is 10 times that price.

Bear this in mind: It has been 4 years since these people, some of them with families, have been working for $1.60, and the cost of living has gone up 16½ percent in the last 3 years. That is not the fault of those families who are living on a $1.60-an-hour wage that they are asking for an increase. It is the fault of the executive department, not the Congress.

I remember that in December 1969 this Congress passed an anti-inflation bill giving the President absolute power as soon as he signed it to stop the increase in prices, wages, rents, et cetera. But he allowed that anti-inflation bill to remain on his desk for 22 months until he announced his famous "Price Freeze" last August. The poor families that earn $1.60 an hour had to suffer by these rises in prices while that bill laid in the White House for 22 months. It is not their fault that they are asking for $2 an hour—a 40-cent-per-hour increase. The Wall Street Journal last month quoted the fabulous profits of our banks, supermarkets, oil companies during 1971 and the first quarter of 1972. Those profiteers are the direct cause of inflation and the high cost of living.

The wage families have to meet this inflation that has been caused primarily in the last few years. I turned on the radio when I was home a month ago, and the announcement came over the air that six oil companies received a 5-percent increase in gasoline and oil prices. Eighty percent of the conglomerates who apply to President Nixon's phase II Price Control Commission receive an OK on their applications.

The supermarkets have raised their prices. I know of one in Maryland that raised their prices three times last year. How is the family with the man earning $1.60 an hour going to meet that increase unless the man gets a raise? So I do not understand why there is such a hue and cry about this bill going to cause inflation because the low-wage people are going to be raised from $1.60 to $2 per hour. The man who is paid $1.60 an hour has to raise his family and educate his children.

Next December, 3 years will have passed since the Congress gave the President full power to control inflation—to curb prices, wages, rents, et cetera.

The conglomerates, supermarkets, profiteers have had a field day for 3 years.

This minimum wage bill will give the $1.60-per-hour families a small boost to meet the high cost of living.

This wage hour bill should be enacted without crippling amindments.

The SPEAKER. All time has expired.

Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 338, nays 57, not voting 36, as follows:

[Roll No. 142]

YEAS—338

Abbitt	Biester	Chamberlain
Abourezk	Blatnik	Chappell
Abzug	Boggs	Clancy
Adams	Boland	Clausen,
Addabbo	Bolling	Don H.
Alexander	Brademas	Clay
Anderson,	Brasco	Cleveland
Calif.	Bray	Collier
Anderson, Ill.	Broomfield	Collins, Ill.
Anderson,	Brotzman	Conte
Tenn.	Brown, Mich.	Conyers
Andrews,	Broyhill, N.C.	Corman
N. Dak.	Broyhill, Va.	Cotter
Annunzio	Burke, Mass.	Coughlin
Archer	Burlison, Mo.	Culver
Arends	Burton	Curlin
Ashley	Byrne, Pa.	Daniel, Va.
Aspin	Byron	Daniels, N.J.
Aspinall	Caffery	Danielson
Baker	Carey, N.Y.	Davis, Ga.
Begich	Carlson	Davis, S.C.
Bell	Carney	de la Garza
Bennett	Carter	Delaney
Bergland	Casey, Tex.	Dellenback
Bevill	Cederberg	Dellums
Biaggi	Celler	Denholm
Dent	Kemp	Rogers
Derwinski	King	Roncalio
Devine	Koch	Rooney, N.Y.
Dickinson	Kuykendall	Rooney, Pa.
Diggs	Kyl	Rosenthal
Dingell	Kyros	Rostenkowski
Donohue	Leggett	Roush
Dorn	Lennon	Roy
Dow	Lent	Roybal
Drinan	Link	Runnels
Dulski	Long, La.	Ruppe
Duncan	Lujan	Ruth
du Pont	McCloskey	Ryan
Dwyer	McClure	St Germain
Eckhardt	McCollister	Sandman
Edwards, Calif.	McCormack	Sarbanes
Eilberg	McCulloch	Satterfield
Erlenborn	McDade	Saylor
Esch	McDonald,	Schneebeli
Evans, Colo.	Mich.	Schwengel
Evins, Tenn.	McEwen	Seiberling
Fascell	McFall	Shipley
Findley	McKay	Shoup
Fish	McKevitt	Shriver
Flood	McKinney	Sikes
Flowers	Madden	Sisk
Foley	Mailliard	Skubitz
Ford, Gerald R.	Mallary	Slack
Ford,	Mann	Smith, Iowa
William D.	Mathias, Calif.	Smith, N.Y.
Forsythe	Mathis, Ga.	Spence
Fountain	Matsunaga	Springer
Fraser	Mayne	Staggers
Frelinghuysen	Mazzoli	Stanton,
Frenzel	Meeds	J. William
Frey	Melcher	Stanton,
Fulton	Metcalfe	James V.
Fuqua	Mikva	Steed
Pelly	Miller, Calif.	Steele
Garmatz	Miller, Ohio	Steiger, Ariz.
Gaydos	Minish	Steiger, Wis.
Giaimo	Mink	Stratton
Gibbons	Minshall	Stuckey
Goldwater	Mizell	Sullivan
Gonzalez	Mollohan	Symington
Goodling	Monagan	Talcott
Grasso	Moorhead	Taylor
Gray	Morgan	Teague, Calif.
Green, Oreg.	Mosher	Teague, Tex.
Green, Pa.	Moss	Terry
Griffiths	Murphy, Ill.	Thompson, Ga.
Grover	Murphy, N.Y.	Thompson, N.J.
Gude	Myers	Thone
Halpern	Natcher	Tiernan
Hamilton	Nedzi	Udall
Hanley	Nelsen	Ullman
Hanna	Nichols	Van Deerlin
Hansen, Idaho	Nix	Vander Jagt
Hansen, Wash.	Obey	Vanik
Harrington	O'Hara	Veysey
Harsha	O'Konski	Vigorito
Harvey	O'Neill	Waggonner
Hathaway	Patman	Waldie
Hawkins	Patten	Wampler
Hechler, W. Va.	Pelly	Ware
Heinz	Pepper	Whalen
Helstoski	Perkins	Whalley
Henderson	Pettis	White
Hicks, Mass.	Peyser	Whitehurst
Hicks, Wash.	Pickle	Whitten
Hillis	Pike	Widnall
Hogan	Pirnie	Wiggins
Holifield	Poff	Williams
Hosmer	Powell	Wilson, Bob
Howard	Price, Ill.	Wilson,
Hull	Pucinski	Charles H.
Hungate	Quie	Winn
Hunt	Quillen	Wolff
Ichord	Railsback	Wright
Jacobs	Randall	Wyatt
Johnson, Calif.	Rarick	Wydler
Johnson, Pa.	Rees	Wylie
Jones, Ala.	Reid	Wyman
Jones, N.C.	Reuss	Yates
Jones, Tenn.	Rhodes	Yatron
Karth	Riegle	Young, Fla.
Kastenmeier	Roberts	Young, Tex.
Kazen	Robinson, Va.	Zablocki
Keating	Robison, N.Y.	Zion
Kee	Roe	Zwach

NAYS—57

Abernethy	Burleson, Tex.	Edwards, Ala.
Andrews, Ala.	Byrnes, Wis.	Fisher
Ashbrook	Cabell	Flynt
Belcher	Camp	Gettys
Betts	Clawson, Del	Griffin
Blackburn	Collins, Tex.	Gross
Bow	Colmer	Hagan
Brinkley	Conable	Haley
Brown, Ohio	Crane	Hall
Buchanan	Davis, Wis.	Hammer-
Burke, Fla.	Dennis	schmidt
Heckler, Mass.	Mahon	Schmitz
Hutchinson	Martin	Scott
Jarman	Michel	Sebelius
Jonas	Mills, Md.	Smith, Calif.
Landgrebe	Montgomery	Snyder
Latta	Poage	Stephens
Lloyd	Price, Tex.	Thomson, Wis.
McClory	Purcell	
McMillan	Scherle	

NOT VOTING—36

Badillo	Gallagher	Mitchell
Baring	Gubser	Passman
Barrett	Hastings	Podell
Bingham	Hays	Preyer, N.C.
Blanton	Hébert	Pryor, Ark.
Brooks	Horton	Rangel
Chisholm	Keith	Rodino
Clark	Kluczynski	Rousselot
Dowdy	Landrum	Scheuer
Downing	Long, Md.	Stokes
Edmondson	Macdonald,	Stubblefield
Eshleman	Mass.	
Galifianakis	Mills, Ark.	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hays with Mr. Horton.
Mr. Hébert with Mr. Rousselot.
Mr. Barrett with Mr. Eshleman.
Mr. Brooks with Mr. Gubser.
Mr. Macdonald of Massachusetts with Mr. Keith.
Mr. Rodino with Mr. Hastings.
Mr. Stubblefield with Mr. Gallagher.
Mrs. Chisholm with Mr. Galafianakis.
Mr. Blanton with Mr. Passman.
Mr. Mills of Arkansas with Mr. Downing.
Mr. Kluczynski with Mr. Landrum.
Mr. Badillo with Mr. Baring.
Mr. Podell with Mr. Mitchell.
Mr. Long of Maryland with Mr. Scheuer.
Mr. Clark with Mr. Bingham.
Mr. Edmondson with Mr. Rangel.
Mr. Preyer of North Carolina with Mr. Stokes.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

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

There was no objection.

FAIR LABOR STANDARDS AMENDMENTS OF 1971

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7130) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage under that act, to extend its coverage, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, and for other purposes.

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

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 con-

sideration of the bill H.R. 7130, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Kentucky (Mr. PERKINS) will be recognized for 1½ hours, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill H.R. 7130 which the House is considering today is designed to implement the policy of the Fair Labor Standards Act of 1938. This bill provides an increase in the minimum wage rate, extends the protection of the act to many groups of workers not currently covered, and establishes procedures for relief for domestic industries and workers injured by imports from low-wage areas.

The policy of the Fair Labor Standards Act is to correct, as rapidly as practicable, the labor conditions detrimental to the maintenance of the minimum standard of living necessary for the health, efficiency, and general well-being of workers. The first statutory minimum wage was set at 25 cents an hour with provision for gradual step-by-step increases to 40 cents an hour by 1945. The act also established a special overtime rate of 1½ times the employee's regular hourly wage which was to be paid for work done in excess of a standard workweek. The law provided for a 44-hour workweek initially which was reduced to 40 hours a week in 1941. Four times since 1938 the Fair Labor Standards Act has been amended, in 1949, 1955, 1961, and 1966. Each time the minimum wage was increased. Coverage has been expanded twice.

The most recent amendments to the act occurred in 1966 when the Congress increased the minimum wage to $1.60 an hour and added approximately one-half million workers to the list of those coming under the protection of the act. At the time the Congress adopted the $1.60 figure in 1966, however, it was barely enough to provide an income above what was then defined by the Government as the poverty level. A $1.60 per hour is only $3,200 a year—provided the worker is fortunate enough to be employed full time and year round.

In the meantime millions of working Americans had suffered from the increase in prices and the extended period of inflation that has occurred and still continues. Due to the inflation the annual income for subsistence for a family of four is about $4,000. A $1.60 an hour buys less today than the $1.25 minimum wage provided before the 1966 amendments.

In the respect this Nation today is faced with a situation that is as tragic as it is disgraceful. Nearly two-thirds of the 25 million poor in America are members of families headed by a worker in the labor force. Somewhere in excess of 40 percent of the poor families with children in this country are headed by full-time workers. To put it another way—more than one-quarter of the poor and more than 30 percent of the children growing up in poverty are in families headed by a full-time, year-round worker whose wages are so low that his or her family is impoverished. The economists and social workers have coined a new phrase recognizing the pervasive existence of this tragic phenomenon: the "working poor." These are people who work hard at useful jobs contributing to the welfare of the Nation. These are people struggling to achieve self-reliance, to maintain their economic independence and to maintain their dignity. These are people who cannot support their families though they are working full time and sometimes more than full time on more than one job. These are people who are not paid a subsistence wage. These are people who are all too often forced to go on welfare in order to survive.

That there are "working poor" in America today is a tragedy. That they exist in the numbers they do is shocking. That, basically, is what this bill is all about. We propose to do something about the "working poor"—to reduce their number, to remove as many of them from poverty as we possibly can.

This bill would increase the minimum wage immediately to $2 an hour for most nonagricultural workers and $1.50 an hour for those few agricultural workers who are covered. The wage increases for agricultural workers as well as for nonagricultural employees covered by the 1966 and 1972 amendments come in two steps so as not to take final effect until January 1, 1973, at $1.70 an hour.

One of the traditional charges inevitably leveled against proposed increases in the minimum wage, especially during periods of prolonged inflation, is that these increases will further aggravate the inflation. A corollary argument, and one just as erroneous, is the charge that increases in minimum wage rates bring about unemployment. A spokesman for the U.S. Chamber of Commerce, Dr. Richard S. Landry, administrative director of the economic analysis and study group, was at some pains to disassociate the Chamber from the argument that minimum wage increases were inflationary and he said "We do not contend * * * that the minimum wage is inflationary. * * * Inflation is not caused by minimum wages." No responsible economic study has ever demonstrated that any of the previous increases in the minimum wage has had an adverse effect on the economy generally. Neither the value of the dollar nor the level of employment has been adversely affected. Our national economy has never had difficulty in absorbing minimum wage rate increases. Then Secretary of Labor George P. Shultz in 1970 told the Congress that "there was continued economic growth during the period covering the third phase of the minimum wage and maximum standards established by the Fair Labor Standards Amendments of 1966."

The Congress itself has recognized that wage increases at the poverty level do not have an inflationary effect in voting to exclude the "working poor" from the phase II controls of the Economic Stabilization Act. The principle that the workingman should have a fair and adequate wage is one that has been endorsed by every President since Franklin Roosevelt, including Harry Truman, Dwight Eisenhower, John Kennedy, Lyndon Johnson, and President Nixon.

We in the Congress can no longer remain indifferent to the plight of the poor, particularly the "working poor," for whose benefit this bill was drafted.

The need for H.R. 7130, which we are discussing today, is compelling. And it deserves our support. As I said before, today's minimum wage of $1.60 an hour buys substantially less than the $1.25 an hour minimum wage bought in 1966. If the cost of living were applied to the 1966 amendments, today's minimum wage would substantially exceed $2 an hour. If the Congress had voted the same wage increases for employees under the protection of the Fair Labor Standards Act that it has voted civil service employees, the minimum wage rate would not be approximately $2.18 an hour.

What the committee is proposing to do, therefore, in this bill is modest. It will not have adverse effects on the economy. It will, on the other hand, provide substantial and necessary benefits to the most needy and the most deserving of the Nation's workers.

TITLE I—INCREASE IN THE MINIMUM WAGE

The bill, H.R. 7130, in title I provides an immediate increase in the minimum wage from the present $1.60 an hour to $2 an hour for the more than 34 million nonagricultural employees covered by the Fair Labor Standards Act prior to the 1966 amendments, and the approximately 700,000 Federal employees brought under coverage by the 1966 amendments. The 10 million nonagricultural employees who were newly covered by the 1966 amendments and those who are newly covered by title II of this bill are given an increase to $1.80 an hour immediately. That amount is to be raised to $2 an hour in January, 1973.

There is an immediate increase in the minimum wage rate for the 535,000 agricultural employees who were brought under the 1966 amendments and who are presently covered at $1.30 an hour. Their minimum will be raised to $1.50 immediately and to $1.70 in January, 1973.

Under this bill for the first time hotel, motel, restaurant, conglomerate and public employees in the Virgin Islands and Puerto Rico, and government employees in Puerto Rico and the Virgin Islands are to be treated like their counterparts in the United States. Percentage increases in the minimum wage rates for other employees in Puerto Rico and the Virgin Islands who are presently covered by the Act are also provided.

TITLE II—EXTENSION OF MINIMUM WAGE AND REVISION OF EXEMPTIONS

The bill extends both minimum wage and overtime coverage to Federal, State and local public employees not presently coming under the Act. Similar new coverage is provided domestic household employees—those residing in the household are exempt—preschool employees and employees of conglomerates.

By modifying, reducing or repealing

the overtime exemptions additional overtime coverage is provided to transit employees, employees of nursing homes, seasonal industries, sugar processers, and maids and custodial employees of hotels and motels.

The equal pay provisions, prohibiting discrimination in pay between men and women doing the same work, are expanded to include executive, administrative and professional personnel and outside salesmen.

A new approach toward the treatment of students is provided. The bill authorizes the employment of full-time students at work paid for at less than the regular minimum wage in any occupation other than those which are particularly hazardous. The proposed student minimum wage is set at $1.60 an hour—$1.30 an hour in agriculture—or not less than 85 percent of the applicable minimum wage, whichever is the larger. There must be certification to the Secretary of Labor that employment of the student will not result in the displacement of job opportunities for others and that the employment is to be on a part-time basis only except during summer vacations.

There is a prohibition against public service employment agencies assisting in the placement of individuals at jobs which pay less than the minimum wage. Penalties are provided for the willful employment of illegal aliens.

TITLE III—RELIEF FOR DOMESTIC INSTITUTIONS AND EMPLOYEES INJURED BY INCREASED IMPORTS FROM LOW-WAGE AREAS

The bill authorizes a new procedure under which restrictions may be placed on foreign goods competing unfairly with those manufactured in this country. As a result of a Presidential request, a resolution of either of the Houses of the Congress, the application of a labor union representative or any other interested party, or upon his own motion, the Secretary of Labor within 4 months must investigate and report as to whether or not an imported product is having adverse effects. If the Secretary makes such a finding, the President is required to take such actions "as he deems appropriate." That is, he may impose higher tariffs or import quotas or take other action under the GATT—General Agreement on Tariffs and Trade. The nature of the Secretary of Labor's findings must be that the foreign import was produced under substandard labor conditions and is threatening the well-being of American workers or the economic well-being of a community.

In closing I can only echo the thoughts of the Speaker in his letter to all of us dated April 17, 1972, when he indicated that we have a moral obligation to act on behalf of these workers and their families who cannot attain an adequate standard of living under the existing statutory minimum wage.

Mr. QUIE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, beginning with the amendments to the Fair Labor Standards Act made in 1949, modifications in that statute have followed an almost regular and predictable time schedule. Following the 1949 amendments, extensive and significant revisions were made in 1955, 1961, and most recently in 1966. Now, in 1972, the measure is again before us, thus once more closely adhering to the customary pattern of allowing intervals of about 6 years to elapse before initiating legislative activity to bring about additional major changes in the law.

There is an acceptable logic to this pattern, at least with respect to the level of the minimum wage. Over a period of years it is to be expected that the upward thrust in the general level of wages throughout the economy as a whole, in the cost of living, and in the forces making for inflation require some corresponding increase in the statutory minimum wage. Since its enactment, the minimum has always been raised, and we are now deciding whether to lift it once again. Some of us in the Labor Committee on this side of the aisle feel that such an increase is presently justified and for that reason we have incorporated in our substitute bill a minimum wage schedule virtually identical to that in the committee bill.

I know there are some among us who feel that the proposed minimum jumps too high too fast. But I am reasonably confident that a majority of the Members of the House do believe that some increase is necessary precisely because of the steady upward movement in the level of wages generally, in the cost-of-living, and in the inflationary situation, although many of us see signs that all of these factors are slowly but definitely being brought under control by reason of the administration's policy.

However, each time that Congress has raised the minimum, it has also broadened the coverage of the act, and simultaneously, narrowed or diminished or even wholly eliminated some of its important exemptions, particularly those exemptions from the law's requirement that covered employers pay a premium wage of time and one-half the regular rate of pay for each hour of overtime work. What must be emphasized in connection with such amendments is the absence of some or all of the considerations which justify the increase in the minimum wage. In fact, it is my opinion that the reasons assigned for changes of this kind by their proponents usually do not bear close examination. The present committee bill is no exception in this respect.

Thus, for example, the committee bill would place almost 5 million employees of the State, local, and Federal governments under the minimum wage and overtime requirements of the act with certain minor exceptions. Of this huge number only 119,000 were receiving less than $1.80 per hour 6 months ago, and 167,000 less than $2, and none of these were employees of the Federal Government. With respect to premium overtime pay all Federal civil service employees making less than $12,150 per year receive time and one-half in overtime pay. Many State and local government employees receive similar or equivalent overtime compensation. Nevertheless their employers would all be subject to inspection, investigation, and to the recordkeeping requirements of the law with all the costs an burdensome procedures and inconveniences which these impose. There are no valid reasons justifying this particular expansion of coverage.

There are other examples of provisions in the committee bill which similarly are unrelated to the question of the adequacy of a statutory minimum wage, and which are not only unnecessary but affirmatively harmful to important segments of the economy. These are too numerous to describe here so I will merely enumerate several of them leaving it to some of my colleagues to treat them in concrete detail during the further course of this debate. Among those unneeded and undesirable provisions in the committee bill are the reduction and eventual repeal of the overtime exemptions now applicable to seasonal industries, agricultural processing industries, local transit industries, immediate repeal of the overtime exemption in the sugar processing industry, and the extension of the overtime pay requirement to maids and custodial employees of hotels and motels. The approval by the House of our substitute bill would eliminate these proposed changes in the existing law while retaining the minimum wage provisions and schedules of the committee bill.

However, there are several modifications which would be made by the committee bill which I wish to discuss at greater length because they are national in scope and significance, and affect our economy as a whole and not solely a particular industry. The first of these is the so-called "youth differential" in the minimum wage requirement. Present law permits payment of a minimum wage at less than the statutory rate. It is permissible only under the following conditions:

First. To full time students for part-time work—not in excess of 20 hours per week—except during vacations and holidays.

Second. It may not be less than 85 percent of the otherwise applicable minimum, and may be paid only in agriculture, and in the retail and service industries.

Third. The number of full-time students employed at the lower rate may not be a larger percentage of the employer's work force than prevailed in certain designated previous years.

Fourth. The employer must secure for each student to be employed at the lower rate a certificate from the Secretary of Labor that the employer has complied with all of these conditions and that such employment will not create a substantial probability of reducing the number of job opportunities for persons other than such students.

The extremely limited applicability of this youth differential provision plus the redtape imposed on the employer resulted in extremely limited use of the provision by employers since its enactment to recruit young workers. However, despite such failure the program did constitute a recognition by the Congress of the sad plight of our young people in their efforts to get jobs and the need for legislation designed to induce employers to hire them in greater numbers.

The provision on the youth differential in the committee bill is a continuing

recognition of this need and the failure to meet it which has grown far more devastating in the 6 years since 1966. The unemployment rate for young people has grown to three times the national unemployment rate. For the inner city poverty areas the figure is about five times the national rate, and for black youngsters almost eight times as high. These ratios are frightening in their social implications, and constitute a self-evident demonstration of the absolute and immediate necessity for an effective solution. The committee bill does nothing to furnish such a solution. In a somewhat different form, using different language, it provides a youth differential which in substance is well nigh indistinguishable from the impotent provision in the existing law. The different form and language are merely a facade which attempts to conceal that the limitations imposed on utilizing the youth differential are just as rigirous and inhibiting as they have been since 1966.

Our substitute, on the other hand, eliminates most of these limitations and establishes a program for encouraging the employment of young people, which even on its face makes it apparent that it would be effective in inducing many employers to hire the young and the inexperienced which the existing law has not done and the committee bill will not do.

The substitute permits payment of 80 percent of the minimum wage, but not less than $1.30 in agriculture and $1.60 in all other industries, these two rates being those prescribed by the existing law. Such employment is not limited to particular industries but is permissible in all industries except in instances subject to the applicable child labor laws. Nor is it limited to full-time students doing part-time work. Any full-time student under 21 years of age and any youth—student or not—under 18 may be employed at the youth differential wage rate for either full- or part-time work. And finally no burdensome redtape is imposed on the prospective employers of these young workers. The substitute merely requires the Secretary of Labor to promulgate standards to insure that this youth differential program will not create a substantial probability of reducing the job opportunities of persons other than the young. As I have said, the substitute bill even on its face offers a powerful inducement to employers to hire young people who would otherwise be jobless.

Mr. Chairman, I come now to the second major question involved in the pending legislation. This is title III of the committee bill which deals with our foreign trade. Title III provides that at the request of the President, the Senate, the House, any domestic labor union representative, any "interested" party, or the Secretary of Labor, upon his own motion, must make an investigation—which must include public hearings—to determine whether any commodity is being imported that was produced under labor conditions less favorable than those in the United States. If the Secretary finds that such commodity is competitive with a domestic product and threatens to impair the well-being of any group of American workers or the economic welfare of the community in which they are employed, he must report this finding to the President who must remove the threat of such impairment by appropriate action in addition to any appropriate action provided by the existing customs laws.

Title III further provides that certain requirements must be included in any contract to which the United States or any of its agencies, instrumentalities, or territories, or the District of Columbia is a party, or under which payment, in whole or in part, is to be made from grants or loans from, or loans insured or guaranteed by the United States or any of its agencies or instrumentalities, and first, which is for manufacturing or furnishing materials, supplies, articles or equipment; and second, which is an amount exceeding $10,000; and third, which is to be performed outside of the United States but is for goods, supplies, articles, or equipment to be used in the United States.

Such contracts must require that all persons employed by the contractor in carrying out the contract be employed on terms and conditions which are not substantially less favorable than those which would be enjoyed under the Fair Labor Standards Act by employees if the contract were to be performed by them in the United States. Furthermore, the contract must require such contractor to make reports needed by the contracting Government agency to insure compliance with these provisions of the contract, and to keep the records and provide the access thereto as the agency finds necessary to assure the correctness and verification of such reports.

The objective of title III of the committee bill is clearly to protect domestic industry by reducing imports without regard to any causal factors—other than labor costs—which may be, and frequently are, responsible for the inability of some American enterprises to compete efficiently in our domestic markets. The broad language of title III makes it apparent that the President may, and in some situations even must, impose higher tariffs or import quotas, and there is no limitation in the language to preclude his imposing a total embargo on particular imports. As all of us know, only a very small percentage of foreign workers enjoy wages and working conditions that would meet the minimum standards required by the Fair Labor Standards Act. Thus, the vast scope of title III and the potential weightiness of its impact are painfully visible.

I shall not dwell on the disastrous consequences to our own economy and the severely adverse repercussions in our relations with the rest of the world which title III would bring about if it were enacted. I shall leave the amplification of these terrifying considerations to others among my colleagues who feel as strongly as I do that the tragic consequences and repercussions inherent in this provision must be avoided.

I would like to point out, however, that quite apart from any question on the merits of the proposals embodied in title III, it is my firm conviction that they have no place in a bill to amend the Fair Labor Standards Act. Moreover, I strongly suspect that they are not properly within the jurisdiction of our Education and Labor Committee. They are designed to modify our international trade policy in substantial and significant respects and, rightfully, should be dealt with by the legislative committee which has not only the jurisdiction, but the experience and the expertise as well, to handle measures in this area of legislation. It is not without interest that the AFL–CIO, despite its constant attention to every development which affects or might affect American labor, has taken the position that the kind of problem that title III professes to solve should be handled separately from proposals that are basic amendments to the Fair Labor Standards Act and that fall wholly within the essential framework of that statute. Our substitute bill properly includes no amendment which deals with international trade and if enacted would result in no change in our policy in that field of existing law.

Mr. Chairman, I believe that I have made it clear that the enactment of the committee bill would not be in the best interests of our youth, our State and local governments, our international trade, and our relations with other nations.

I have touched briefly on its adverse impact on a number of industries of great importance to our national economy and the welfare of our people. I urge you to read my insertions in the RECORD yesterday May 9 on pages 16448 to 16450 including letters from Secretary of Defense, Mr. Laird, Assistant Secretary of State Mr. Abshire, General Counsel of the Department of Commerce, Mr. Yetson, and Mr. Gilbert, Special Representative for Trade Negotiations. As I have indicated, other Members of this body will discuss each of these provisions of the committee bill pointing out in specific detail and by concrete and objective analysis why they are harmful in all of these respects. The substitute bill contains none of these defects. It amends the existing law by increasing the minimum wage, by establishing a program which will result in increasing the job opportunities of our unemployed youth particularly those from the inner city hard core and minority groups, and provides for a few limited and modest changes to correct several of the inequities in the present law. In all other respects it leaves the Fair Labor Standards Act unchanged. I strongly urge the Members of the House to support the substitute bill.

DENIAL OF USE OF PUBLIC SERVICE EMPLOYMENT AGENCIES—(SEC. 213, COMMITTEE BILL)

Mr. Chairman, I would like to also comment on a provision in the committee bill which in addition to having a seriously adverse impact on the economy is both shockingly inequitable and a devious attempt—and I use the phrase advisedly—to broaden the act's applicability of the minimum wage provisions without appearing to do so directly.

As all of us know, the minimum wage requirements of the Fair Labor Standards Act are not universally applicable to all employees in the national work force. Thus, with a few exceptions, the act does not cover the employees of an

enterprise whose gross business is less than $250,000 a year nor the family member employees of a "mom-and-pop" establishment. Furthermore, the act specifically exempts from its minimum wage requirements the following classes of employees:

First. Outside salesmen.

Second. Employees of retail and service establishments having an annual dollar volume of sales which is less than $250,000, even if such establishment is part of an enterprise having a larger volume of sales.

Third. Employees of certain categories of amusement or recreational establishments.

Fourth. Employees engaged in certain segments of the fishing industry.

Fifth. Employees of certain types of small, local newspapers.

Sixth. Employees of motion picture establishments.

Seventh. Employees of certain small independent telephone companies.

Eight. Employees in certain activities of the forestry and lumbering industries if the number of employees of the particular employer is less than nine.

Nine. Employees employed in the growing and harvesting of shade-grown tobacco who are also engaged in certain aspects of the processing of such tobacco.

Ten. Employees in agriculture employed by an employer who did not during any calendar quarter of the preceding calendar year use more than 500 man-days of agricultural labor which is equivalent to approximately six full-time workers.

Eleven. Employees delivering newspapers to the consumer.

Twelve. Employees in Puerto Rico who are not covered by the statutory minimum wage rates applicable to the mainland United States but are subject to a special procedure for establishing minimum wage rates which heretofore have always been lower than the corresponding mainland rates.

Mr. Chairman, I have enumerated these categories of employees to whom the statutory minimum wage rate is not applicable to demonstrate that they constitute a not insignificant segment of the American labor force. No attempt was made during the deliberations of either the subcommittee or the full committee to repeal the act's provisions which make them immune from the minimum wage requirement. They were never even referred to during the discussions on expanding the scope of the minimum wage requirements, and thus there never was an opportunity to examine the pros and cons of doing so—the question was simply never raised.

Nevertheless the bill as reported includes a provision set forth in section 213 which in practical effect narrows the exemption or immunity from the minimum wage requirement of the law for every one of the work categories which I have enumerated. Section 213 provides that no public employment service agency may assist in placing any job seeker with an employer who will not pay such job applicant at least the applicable minimum wage rates which must be paid by employers who are covered and non-exempt from the wage provisions of the statute.

In other words, this section is designed to pressure employers to pay the statutory minimum rate even though they are not required to do so under the law. Thus, the immunity from the wage requirement which the act confers on employers in the categories I have already enumerated would be nullified in whole or in part to the extent that these employers depended on the public employment service agencies for obtaining members of their work force.

Moreover, the public employment service agencies have been established in each State including Puerto Rico and the District of Columbia under Federal law and their function is to provide job vacancy referral service for job seekers and for all employers seeking workers subject to certain conditions which are equally applicable to all employers. They are financed from public funds and play an important role in helping to place job seekers particularly in the unskilled and low-wage categories. Nevertheless, section 213 would deny access to these services to an employer who is not required by law to pay the minimum wage and thus penalize him despite the fact that in so doing he is not violating either the Fair Labor Standards Act or the requirements of the Federal statute establishing the public employment service agencies or for that matter any other Federal law. No clearer case of gross discrimination can be imagined.

And finally, by denying access to the public employment service agencies to such employers, job seekers who need their services would find their job opportunities seriously curtailed, and the section would thus result in aggravating the existing problem of unemployment and all of the other problems associated with it, such as a decline in productivity, a rise in the costs of production, and an increase in the replacement of workers by machinery.

It should be further emphasized that the section is discriminatory with respect to employees as well as employers. The unskilled and low-wage job seekers who resort to the public employment service agencies certainly do so, among other reasons, because there is no fee or charge for the service, unlike the private employment agencies. Thus it handicaps these job seekers in contrast to the more skilled, and hence more affluent applicants who feel they can afford to pay the fees of private employment agencies which generally have the listings of the better jobs. And although the public agencies are not legally limited to listing only unskilled and low-paying job vacancies, as a matter of fact most openings of this kind are listed with the public and not the private employment agencies. Thus, many job seekers would be denied knowledge of job opportunities which they have the best chance of getting. I, therefore, strongly urge that section 213 of the committee bill be eliminated.

Mr. NELSEN. Will the gentleman yield to me?

Mr. QUIE. I yield to my colleague from Minnesota.

Mr. NELSEN. I would like to ask the distinguished gentleman a question relative to the procedure followed by the Hormel Co., which guarantees their employees an annual wage which, under some provisions of law, would be in conflict to some proposals that have been before us. Under the present legislation which you are proposing and advocating, would their plan be interfered with in anyway?

Mr. QUIE. The gentleman is referring to section 7(b)(2) of the Fair Labor Standards Act?

Mr. NELSEN. Yes.

Mr. QUIE. And, that is the protection for the guaranteed annual wage, not changed either by the committee bill or by the substitute.

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

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

The CHAIRMAN. The gentleman from Minnesota is recognized for 1 additional minute.

Mr. QUIE. Therefore, that exemption which they have enjoyed through the years and which has been primarily of benefit to the employees of the Hormel Co. and their employers who are an enlightened group of individuals who utilized the guaranteed annual wage and wish it protected and its integrity maintained.

Mr. NELSEN. Yes. It is my understanding that both labor and management insist or request that this be retained and I thank the gentleman for his response.

Mr. QUIE. I thank the gentleman for the interest which he has shown in the welfare of his newly found constituents.

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

Mr. Chairman and members of the Committee of the Whole House on the State of the Union, I do not suppose there is much difference in the discussions that are going on today and those that took place in 1937, in 1947, in 1961, in 1966, and in this year of our Lord 1972.

Mr. Chairman, before getting into my discussion of the provision of this bill, I would like to yield to the distinguished gentleman from Virginia (Mr. ABBITT).

Mr. ABBITT. Mr. Chairman, I appreciate very much the gentleman, my dear friend from Pennsylvania, yielding to me at this time.

Mr. Chairman, this matter which is before the House today is of vital concern to many people.

Mr. Chairman, much has been said here regarding the bill before us and referred to as the committee bill and the so-called Erlenborn-Fuqua bill. In addition, we have heard much about the Anderson amendment to the Erlenborn substitute.

I support the Anderson amendment wholeheartedly and I would like to say here and now that if that amendment is defeated, I expect to propose another amendment to the Erlenborn or substitute bill. In my opinion, both the committee bill and the substitute bill go entirely too far so far as the minimum wage is con-

cerned. Even the Erlenborn bill goes too fast. My amendment will be on page 2 and simply strikes out lines 5 through 22 and, in plain language, provides that the minimum wage as we define it in both bills will start at not less than $1.70 an hour during the first year from the effective date of the Fair Labor Standards Act; $1.80 during the second year from the effective date of the act; $1.90 during the third year from the effective date of the act; and $2 during the fourth year. This simply means that there will be a four-step increase and thereby to some extent a cushion for the employers of the Nation and giving them some opportunity and some time to prepare for the increased cost of production by the increased minimum wage measure.

In my opinion, to increase the minimum wage for most employers from $1.60 to $2 in one step is entirely too drastic and will work too much of a hardship upon industry and especially the retailing industry.

Consider the effect of such an increase on the economy, which cannot afford a 25-percent hike in payroll costs without setting off another costly inflationary spiral. The Cost of Living Council has established a 5.5-percent wage and salary guideline for phase II of the economic stabilization program.

All of the proposals before you would increase wages far in excess of the guideline—and the least we can do is try to stick to them as closely as possible. My amendment is simple, easy to understand and would establish minimum wage increases in line with the economic stabilization program. The amendment would increase the minimum for everyone now covered as follows: $1.70 first year after effective date; $1.80 second year after effective date; $1.90 third year after effective date; and $2 fourth year after effective date.

These increases stay within the bounds of the economic guidelines. They will help retail workers who now earn close to the Federal minimum—these are the lesser skilled or marginal employees—if the increases proposed by my colleagues are enacted, you can expect that some of these borderline workers will be dropped—and add to the Nation's unemployed.

Mr. Chairman, under the rules of the Price Commission, a retailer's markup is frozen. Thus, he cannot pass through increased labor costs in the price of his goods. Competition is so tough in retailing that the retailer probably would not raise prices even if he were permitted to do so. The net result—a drop in profits, and fewer employees. Self-service retailing would become even more widespread, and customer dissatisfaction along with it.

Any legislated increase of more than the 10 cents a year provided for in my amendment would raise havoc with the economy, and retailing in particular. Any increase in the minimum—no matter how small—means an increase in all wages, including the higher skilled labor force in retailing. Economists have identified this as the "ripple effect." Thus, whatever rate we establish in this body would create a wage increase throughout the entire retail work-force. The larger the increase in the minimum, the greater the ripple effect along the way.

I urge you to vote for my amendment. We must project increases in the minimum wage in harmony with the economy. Ten cents a year does so. It is fair to the employer and to the employee. It is fair to the Nation—to our economic well-being. It will help create new jobs among the disadvantaged and those possessing lesser skills; it will put the brakes on the cost-push spiral that precipitated the economic mess we are now in. The Nation needs it. The amendment is as follows:

AMENDMENT TO H.R. 14104

Page 2, Strike out Lines 5 through 22 and substitute the following language:

SEC. 101. (a) Section 6 (a) (29 U.S.C. 206 (a)) is amended by striking out "(a) Every employer" and all that follows through paragraph (1) and inserting in lieu thereof the following: "(a) Every employer shall pay each of his employees who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, not less than $1.70 during the first year from the effective date of the Fair Labor Standards Act of 1972; $1.80 during the second year from the effective date of the Fair Labor Standards Act of 1972; $1.90 during the third year from the effective date of the Fair Labor Standards Act of 1972; and $2.00 during the fourth year from the effective date of the Fair Labor Standards Act of 1972.

Mr. DENT. Mr. Chairman, in the early days of the factory system in this country there were no Federal or State laws regulating wages, hours of work, or even child labor. Workers were usually required to work for low wages from sunup to sundown. Men, women, and children also worked at their labors for 12, 14, and 16 hours a day. Children as young as 7 years of age were employed in factories for long hours a day. I, myself, started to work at the age of 7 years and worked 8 hours a day for 88 cents.

So, my interest in this legislation comes from a long, long line of experience.

The evil effect of such long hours upon the factory worker, especially upon women and children, eventually became so obvious that after a bitter battle this Nation established a 10-hour day, as well as Government regulation for hours which women and children could work in factories.

There was no early Federal legislation regarding wages.

The first attempt of the Federal Government to govern wages occurred in 1840. In that year, President Van Buren established a 10-hour day which covered workers in Navy industries.

In 1888 an 8-hour day was established for employees at the Government Printing Office.

In 1912 the 8-hour day was extended to all workers employed under contracts to which the Government was a party.

That is part of what I am trying to do with the very much disturbed discussions under title III.

In 1912 they recognized the necessity for workers employed under contract engaged in by the Federal Government. This group of legislators in this country over the past decade has allowed persons who do not come under the jurisdiction of the Government of the United States to violate the concept that was passed in 1912.

In 1907 Congress enacted the hours of service law, the law prohibiting trainmen in interstate commerce from remaining on the job longer than 16 consecutive hours. In 1916 the Adamson Act cut this down to 8 hours. There was no law covering private industry until the passage of the National Recovery Act of 1933, and there are Members of this Congress who voted for that legislation at that time. In that act an attempt was made to establish a law that would, among other things, put a floor under wages of, and a ceiling on the hours of most industrial workers. However, the act was declared unconstitutional. Then in 1937 President Roosevelt asked the Congress to pass a law setting Federal minimum wages for workers in interstate commerce.

During the debates on this legislation both the Senate and the House passed, in one form or another, safeguards against low-priced imports. So title III is not anything new.

The history of title III goes back to the very beginnings of the awakening of the conscience of the Congress of the United States to the necessity for regulating hours and wages for the workers in America.

From 1912 to 1937 the conscience of America was awakened to the fact that regulations establishing a set of standard wages and hours of labor could not be passed without giving to those who were covered, the employers and the employees, protection against imports. This was as important then as it is now.

It passed the Senate and came over to the House. The House rejected it. Then the House passed its version: it went over to the Senate, and the Senate rejected it—and I am told that some of the persons who today are fighting this legislation are prompted by the same interests that fought it in 1912, 1937, 1947, 1961, and 1966.

You know, just a few years ago, in 1961, in this Congress of the United States I introduced an amendment. It was passed by this Congress, and it is still part of the law; that amendment has the main features of title III and is in the fair labor standards law today. The Secretary of Labor at this moment has the right to investigate.

In 1967 the Congress by a vote of 340 to 29 passed House Resolution 478, which was exactly title III as it is composed in this legislation. Seven Members of the U.S. Senate on both sides of the aisle have reintroduced that legislation in this term of the Congress.

Why? Why? Because we have no right to force an employer to pay a wage that could militate against his ability to produce in competition within the United States of America. Even under the old act of 1912 it was recognized that American wages at that time were approximately 80 cents a day, but foreign wages were anywhere from 6 to 11 cents a day.

They recognized the differential would militate against an employer covered by the minimum wage.

We are not taking into consideration

any of the negotiated wages in America. We are only covering that portion of the wage level in America that we, the Congress of the United States, make mandatory.

It has been said that title III is the worst feature of the act. Members of this Congress, this is the saving feature of this act. Thousands upon thousands upon thousands and heading into the millions upon millions upon millions of workers are being deprived of the opportunity to earn a living at even a minimum wage level because American industry is running away from its obligations under this law and is creating production facilities outside of our borders and shipping these products back to the United States. They are being comingled with American-made products and sold to the public at the same cost and the same price as the so-called high priced American merchandise.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 10 minutes.

Mr. DENT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, go into any store in your area and buy a product. Nothing distinguishes it from an American-made product. On some items that you open up, you will find maybe inside a little paper sticker that falls off. You all know the story of the napkins in our dining room downstairs. The local service contractor brought into our dining room napkins, brand new, right off the ship from Hong Kong. They were produced under the most unsanitary conditions in the world and were placed on the tables of Members of Congress and their guests in the other dining rooms. The gentleman from Ohio (Mr. HAYS) was notified. I was notified by a couple of kindly gentlemen here who thought I ought to know. Mr. HAYS dismissed the contractor and employed a new contractor; and we are now getting American-made napkins that are made under sanitary conditions for $10,000 a year less than what we were paying for Hong Kong napkins made by labor paid 6 cents an hour.

You cannot wish away the problems in this country. There is an attack that will be made on my provision in this act that 85 percent of the minimum wage be paid to school students—full time during the summer and part time during the school year. They are going to open it up, they say, to create more jobs. The only way you are going to create more work for the youth of this country is to have more work for the adults. You have got to have jobs throughout the economy.

From 1966 to December 31, 1971, American manufacturing jobs in America were diminished by 545,000. But, service jobs in America in the mercantile industry, wholesale and retail, increased 17 percent.

The jobs in the transportation and other service industries increased 27 percent.

What does this mean to you? It means that the products were there to be sold and it means that they were bought—but they were not manufactured here.

To those of you who come from a rural area and have upon occasion had the opportunity to even milk a cow or to watch one milked—you will remember that from time immemorial, any person who milked a cow sat on a three-legged stool.

Why? Because the floor in a barn is uneven, and a four-legged stool will not sit squarely on an uneven floor. But the three-legged stool will find its level.

Did you every try to milk a cow with a two-legged stool? I am telling you, if you do, you are in for a long pull because you are going to have to milk it lying down flat on your back.

What have we done? The economy of this country was built on a three-legged-stool economy. The production in agriculture, the production in industry, and the production in mining is one leg of the stool. The second leg of that stool is the distribution of the products made by the production facilities. The third leg of that stool is the consumption. Consumption depends upon production; production depends upon distribution; distribution depends upon consumption, and you can go all over this economy of ours for 100 years——

The CHAIRMAN. The time of the gentleman has expired.

Mr. PERKINS. I yield the gentleman from Pennsylvania 5 additional minutes.

Mr. DENT. You can go all over this country with the smartest economists in this country and you will find no other formula. But what have we done? We are destroying the leg of that stool known as production, and we are building up the legs of the stool known as distribution and consumption, so the stool is getting lopsided, and we are going to find ourselves lying on our backs trying to milk this cow of ours.

For 12 years I have told this House, for 12 years I have documented time after time, page after page, what was happening in our economy. I made predictions as far back as 1958 and 1959, and I was laughed at by every Member of this Congress and by every economist in the United States. But who now can laugh? Who can laugh now? Who can laugh today?

Pick up any newspaper. Here is one just out yesterday: "Monessen Plant to lay off 1,200 people." What does that mean? It means the plant facility is gone, and the Wheeling Pittsburgh Steel Co. says very, very emphatically that is due to imports unrestricted. This is what happens!

Why do I want title III? I want you to go home, when you defeat me, if you do, on title III, and you tell your city fathers that you are taking from them the right to ask the Secretary of Labor on their own initiative to make a study of the impact of imports and the wages paid for the imports related to the minimum wage law of this country. Why? I will tell you why: Under the Reciprocal Trade Agreement, the Kennedy round, we have established relief—for whom? For the employee who lost his job because of imports. For the factory or the plant that has lost its capacity and has had to shut down. We give them damages. Now I want the community in which I live and you live to have the same right to ask for damages to the same extent and to the same amount that they have lost on taxation that is needed to pay for the bonded indebtedness of their schools, their sewers, their streets, their libraries, and their other obligations in that community.

That is what I want, and this is the only way we can get it: Title III. It is not a fair trade or protectionist thing.

Oh, I admit I am a protectionist. I believe with Sam Rayburn that if it is American, it is worth protecting. Maybe that is why some of us served a great number of years of our lives in the military service of our country. I was protecting not only the government this country has, but also the right of a worker in this country to be protected in his job and the right of an investor to be protected in his investment. That is what I am asking for.

The time will soon come when this voice will be stilled and will not be heard, but some other voice will come up, and at that time I assure the Members they will not have to shout from the housetops. A mere whisper will be heard clear across this land, and then it will come back and haunt every one of the Members.

Mr. Chairman, we are not here today to complete an essential act of justice for so many of America's workers. Were we to undertake that task, we would be advocating legislation increasing the Federal minimum wage rate to an amount greater than $2 an hour and extending its coverage to more than 6 million employees.

Instead, we are proposing a bill that must be considered modest by any measure.

The legislation before us was initially considered nearly 2 years ago. Hearings began on July 17, 1970, and continued for 17 days during that year and for 7 additional days during the following year. The General Subcommittee on Labor of the Committee on Education and Labor commenced discussion and markup sessions on July 21, 1971, and on September 30—by a vote of 9 to 2—reported H.R. 7130, as amended, to the full committee. On October 14—by a vote of 26 to 7—the committee ordered reported the legislation before us. H.R. 7130 was ultimately reported on November 17. And then 6 months passed before the bill was finally cleared for floor action this week.

Mr. Chairman, that represents a long period of time from start to the present. Much of that time was expended in formulating a bill that, although not meeting every objective, did provide some semblance of justice for the millions of working poor in our Nation. But the unrelenting passage of time without action on this legislation soon began to erode even that effort and we are now debating a proposal that might be generally described as "too little, too late." Yet, it does have its saving virtues and, in reality, remains urgently needed. And it also has its detractors.

Let me now focus on both points.

Mr. Chairman, H.R. 7130 amends the Fair Labor Standards Act of 1938—one of the Nation's basic labor laws. The first statutory minimum wage was established at 25 cents an hour and was made applicable to all employees, not specifically exempted, who were engaged in com-

merce or in the production of goods for commerce.

Amendments to the law were enacted in 1949, 1955, 1961, and 1966. We now have a minimum wage rate of $1.60 an hour applicable to about 45 million nonfarmworkers, and a rate of $1.30 an hour applicable to about 535,000 farmworkers. Over 16 million workers in our labor force, who might be brought within the wage and hour protections of the act, are not in fact covered.

The bill before us proposes to increase the minimum wage rate to $2 an hour—$1.70 an hour for farmworkers—in graduated steps, and to extend minimum wage coverage to an additional 6 million workers. The bill accords different applications of the proposed increases depending upon when employees were first covered by the act.

More than 34 million nonsupervisory employees are at work in establishments covered prior to the 1966 amendments and have been subject to the $1.60 minimum wage rate since February 1, 1968. For these employees, and the nearly 700,000 Federal employees covered by the 1966 amendments, the bill proposes an increase in the minimum wage rate to $2 an hour effective January 1, 1972.

When the bill was reported, Mr. Chairman, the proposed timetables for bringing into effect the increases were realistic. Because of the delay, however, it is necessary for us to modify those dates. Accordingly, I will offer an amendment to invoke the $2-an-hour rate for the pre-1966 and Federal employees on the first day of the first calendar month which begins more than 30 days after the date of enactment of this legislation, or July 1, 1972, whichever occurs first. For all intents and purposes, we are talking about an effective date of July 1.

Mr. Chairman, I would like to address myself at this point to the urgency of such a proposed increase and to the myths which traditionally surround any such discussion.

We are trying to maintain some semblance of comparison between the earnings of a full-time minimum wageworker and the poverty level of income. Nearly two-thirds of the 25 million poor in America are members of families headed by a worker in the labor force. About one-quarter of the poor—and more than 30 percent of all children growing up in poverty—are in families headed by a full-time, year-round worker whose wages are so low that his family is impoverished. An increase in the minimum wage rates to at least $2 an hour would enable a full-time worker to earn approximately $4,000 a year—closer to the poverty threshold.

It is not insignificant that today's minimum wage of $1.60 buys less than the $1.25 minimum wage bought in 1966; or that, if a cost-of-living mechanism had been incorporated into the 1966 amendments to the act, today's minimum wage rate would exceed $2 an hour. Moreover, if the same wage increases Congress has voted civil service employees since 1966 had been applied to the minimum wage rate, that rate would now be $2.18 an hour.

Now for the myths, Mr. Chairman. One of the traditional charges against proposed increases in the minimum wage rate—especially during periods of prolonged inflation—is that such increases further aggravate the inflationary trend. I am pleased to note that a spokesman for the U.S. Chamber of Commerce, in testimony before the Senate Subcommittee on Labor on related legislation, did not associate that organization with the charge. At that time, Dr. Richard S. Landry, administrative director, economic analysis and study group, U.S. Chamber of Commerce, said in response to a statement by the chairman of the subcommittee:

> We do not contend, unlike some of the witnesses that appeared before you apparently, that the minimum wage is inflationary. Quite the opposite. Inflation is not caused by minimum wages.

In actual fact, inflation adversely affects the lowest income worker—including minimum wage earners—more harshly than any other. He is its sorriest victim.

As one witness testified:

> We do not believe any employed workers should be forced to go on welfare in order to survive.
>
> These people work hard at useful jobs; struggle to maintain their economic independence and self-dignity; and attempt to achieve self-reliance against overwhelming odds. Yet they are paid less than a subsistence wage.

I subscribe to this witness' conclusion that the "simplest, most direct, and least expensive way to eliminate most poverty is to modernize the Fair Labor Standards Act."

Another charge against proposed increases in the minimum wage rate is that such increases create unemployment. Members of Congress who are confronted with updating the minimum wage from time to time have long recognized that there would be a demand for information on the employment effects of minimum wage legislation. In the 1955 amendments to the act the Congress added a new section requiring the Secretary of Labor to make an annual appraisal of the economic effects of the legislation. Since that time, the Department has prepared reports on the effects of the successive increases in the minimum wage. The recurring theme running through these reports—prepared in all administrations—has been that wages of workers at the lowest end of the wage scale have increased and there have been no adverse employment effects.

The 1970 report of the Secretary, in focusing on the employment effects of the 1966 amendments, stated:

> There was continued economic growth during the period covering the third phase of the minimum wage and maximum hours standards established by the Fair Labor Standards Amendments of 1966. Total employment on nonagricultural payrolls (seasonally adjusted) rose in 28 out of the 32 consecutive months between January 1967 and September 1969. In the most recent 12-month period, employment climbed 3.2 percent, from 68.2 million in September 1968 to 70.4 million in September 1969. Employment rose in all major nonagricultural industry divisions in the 12-month period between September 1968 and September 1969. In the retail, services, and State and local government sectors—where the minimum wage had its greatest impact in 1969, since only newly covered workers were slated for Federal minimum wage increases—employment rose substantially.

In the 1971 report of the Secretary is historical data on the relationship between the minimum wage and average hourly earnings. As the report states:

> Minimum wages have been traditionally compared to gross average hourly earnings of production workers in manufacturing for purposes of evaluating the efficacy or desirability of changes in the level of the FLSA minimum, or of assessing the effects of legislative changes.

With respect to this comparison, the report concluded that:

> The relationship between the minimum wage and average hourly earnings or average hourly compensation varies, depending upon whether account is taken of changes in coverage. Although the minimum wage has been increased substantially, its ratio to earnings has been largely eroded by gains in average hourly earnings between the periods of increases in the minimum wage. *Consequently, the ratio of the minimum wage to average hourly earnings or to average hourly compensation per man hour is now lower than it was in 1950, when the 1949 amendments went into effect.* (emphasis added)

I think it clear, Mr. Chairman, that the suggested adverse employment effects of minimum wage increases are existent only in the minds of those who constantly decry our activity in this area. Moreover, I think it abundantly clear that the minimum wage earner is now economically worse off than he was years ago and further, that the promise of past increases has become bankrupt in the face of the economic realities of today.

Mr. Chairman, over 11 million nonsupervisory employees were covered under the minimum wage provisions of the act by the 1966 amendments. For these employees—except the Federal and agricultural employees then covered—the bill would increase the minimum wage rate to $1.80 an hour effective January 1, 1972, and to $2 an hour effective January 1, 1973. The bill would require the same minimum wage rate application to those employees brought within the coverage of the act by the 1971 amendments now under consideration. I will offer an amendment to postpone those increases so that the $1.80 rate will become effective on the first day of the first calendar month which begins more than 30 days after the date of enactment of this legislation, or July 1, 1972, whichever occurs first.

The 1966 amendments extended the minimum wage protection of the act to an estimated 535,000 employees employed in agriculture. The present minimum wage rate for such employees is—and has been since February 1, 1969—$1.30 an hour. The bill proposes to increase that rate to $1.50 an hour effective January 1, 1972, and to $1.70 an hour effective January 1, 1973. I will offer an amendment to postpone those increases so that the $1.50 rate will become effective on the first day of the first calendar month which begins more than 30 days after the date of enactment of this legislation, or July 1, 1972, whichever occurs first.

I am not anxious or pleased to offer these timetable amendments, Mr. Chairman, but I do recognize the political realities of the moment. I regret that this legislation has been so delayed that we find it necessary to compromise the modest timetable proposed by the reported bill. We have thereby effected an injustice on the thousands of working poor who look to us as their bargaining agents and economic protectors.

While on the subject of the proposed wage increases, Mr. Chairman, I find it necessary to comment on statements that this legislation somehow exceeds the President's wage-price guidelines—whatever they may be.

A raise in the minimum wage is not in conflict with the Pay Board's 5.5 percent guideline on wage increases. Congress in passing the 1971 amendments to the Economic Stabilization Act of 1970 made a provision specifically exempting the working poor. The law explicitly states:

§ 203(d) Not withstanding any other provision of this title, this title shall be implemented in such a manner that wage increases to any individual whose earnings are substandard or who is amongst the working poor shall not be limited in any manner, until such time as his earnings are no longer substandard or he is no longer a member of the working poor.

The Cost of Living Council has ruled that wage increases up to $1.90 per hour need not be governed by the Pay Board's 5.5 percent guideline. Nevertheless, this guideline in no way reflects congressional intent in exempting the "working poor." On March 11, 1972, Chairman PATMAN, in emphasizing legislative intent, said that Congress intended to set the line for incomes of the working poor at $6,900 per year, which comes to about $3.35 per hour.

Furthermore, there is ample material both in the report of the House Banking and Currency Committee—House Report 92–714—and in the debate on the floor of the House to support this point. Since the conference committee accepted the House language, these are the sources relevant to congressional intent. On page 5 of the House report, the committee states:

This section forbids the President, under the authority granted by this title, from regulation or otherwise restricting the wages of the working poor or persons whose earnings are otherwise substandard. It is the intention of the Committee that this exemption from control apply to all *persons* whose earnings are at or below levels established by the Bureau of Labor Statistics* in determining an income necessary to afford adequate food, clothing and shelter and similar necessities.

*Note that the report states "all persons" and that the law states "all individuals." Nevertheless, the Cost of Living Council derived the $1.90 figure by dividing the $6,900 figure by 1.7 workers per family. Thus, the CLC based its figure on family income rather than individual income. This is directly contrary to the intent of Congress.

As of December 21, 1970, the BLS "lower level" budget figure—that is the minimum income level needed to afford adequate food, clothing and shelter and similar necessities to an urban family of four—was $6,960. Now, over a year later, this "lower level" budget figure surely exceeds $7,000. That is $3,000 more than the earnings of a man working full time at a wage rate of $2 an hour.

Congressman WILLIAM RYAN, who offered the amendment to exempt the working poor in committee, was the main speaker in favor of the provision on the floor of the House. In the debate on December 10, 1971, he emphasized that the guideline for the working poor should be somewhere between $3 and $3.50 an hour, or $6,000 and $7,000 a year. He stated:

There is certainly ample precedent for a low-paid worker exemption from wage restraints during a period of economic stabilization . . .

(The War Labor Board of World War II) specifically exempted from any control any wage increases for workers whose earnings were at or below 50 cents an hour. . . . Using a similar approach today would exempt from controls any union or nonunion worker with hourly earnings of over $3.00 to $3.50 an hour. . . .

The plight of low-paid workers certainly warrants an exemption of their wages from restraints during economic stabilization. There are, indeed, millions of families and individuals in this country whose incomes, derived from decent, steady employment, fall below the most meager estimate of what is required for an acceptable standard of living. According to figures released in May of this year (1971), there are some 16 million families in this country who have incomes of less than $7,000. In addition, some 11 million individuals have incomes of less than $6,000.

It is clear that congressional intent was to exempt working people who earned less than about $6,000 or $7,000 a year. Therefore, any increase in the minimum wage to $2 an hour easily falls within the guideline as intended by Congress.

Yet, a 5.5-percent increase in an hourly wage of $1.90 only yields an hourly wage rate of $2. Therefore, any person who makes $1.90 an hour now could receive a raise to $2 an hour and still keep the raise within the Pay Board guidelines as they are now applied, notwithstanding the fact that they are being applied contrary to the intent of Congress.

Those who challenge this legislation with the contention that it exceeds wage guidelines, Mr. Chairman, simply have no foundation for their arguments. It is irrelevant and should be quickly dismissed as such.

There are also those who contend that minimum wage increases create the necessity for wage increases above that level. They call this phenomenon the "rippling" effect. Available evidence, however, indicates that this belief is more illusory than real.

In the 1968 Department of Labor report on the economic effects of the act, special attention was directed to this question.

The Department concluded with respect to the initial coverage of hotels and motels, that:

Almost all of the wage increases granted covered workers were concentrated at the lowest end of the wage structure, less than $1.05 an hour. There was little evidence of secondary or indirect wage increases to maintain wage differentials.

With respect to the coverage of eating and drinking places, the report stated:

There was little evidence of wage increases being granted to workers already earning the minimum wage in order to maintain differentials. Increases were concentrated at or within 5¢ of the applicable minimum rate.

Mr. Chairman, the bill before us does more than merely propose increases in the minimum wage rate. Sections 103 and 104 of title I incorporate rather comprehensive and equitable provisions relative to the coverage of employees in Puerto Rico and the Virgin Islands. I will offer an amendment to those provisions making that timetable consistent with the mainland schedule of increases. The amendment will also contain necessary perfecting provisions.

Section 201 of the bill permits the extension of minimum wage and overtime coverage to Federal, State, and local public employees.

Section 202 reduces and ultimately repeals the overtime exemption for any driver, operator, or conductor employed by an employer engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motorbus carrier, if the rates and services of such railway or carrier are subject to regulation by a State or local agency.

Section 203 amends the overtime exemption for nursing home employees to require overtime compensation for hours worked in excess of 8 in any workday and 80 hours in any 14 consecutive day work period.

Section 204 repeals the overtime exemption for employees engaged in the processing of sugar beets, sugar beet molasses, sugarcane, or maple sap, into sugar or sirup.

Section 205 reduces and ultimately repeals the overtime exemption for employees in seasonal industries and agricultural processing.

Section 206 extends minimum wage and overtime coverage to certain employees employed in domestic service in a household. In this regard, it is important to extend coverage to the full extent that such employment affects the employment opportunities of members of households and their purchasing activities. This is the finding for the basis of coverage and the relationship to commerce.

Section 207 in part applies the sex discrimination in employment prohibition of section 6(d) of the act to any employee employed in an executive, administrative, or professional capacity, or in the capacity of outside salesman.

Section 208 contains comprehensive provisions with respect to the employment of students rates less than the applicable minimum. This represents a modification of existing law, but the use of the term "employer" in this section is not intended to expand the scope of the meaning beyond that given "establishment" under existing law in terms of identifying a business entity. Section 208 also provides that the Secretary of Labor may, by regulation or order, waive the minimum wage and overtime provisions of the act with respect to a student employed by his elementary or secondary school, where such employment constitutes an integral part of the regular education program provided by the school. In this connection and with a view to

clarifying our intent in this provision, I submit the following correspondence:

FEBRUARY 28, 1972.

Congressman JOHN DENT,
House of Representatives, Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN DENT: In my letter of February 17, 1972, I referred to your amendment to the Fair Labor Standards Act relating to handicapped students. Your reply of February 24, indicated that you were unaware of your activity in this area.

I refer specifically to HR 7139 which you introduced and which was reported out of the House Committee on Education and Labor.

Section 208 states: "Secretary of Labor may waive minimum wage and overtime provisions of the Fair Labor Standards Act with respect to a student employed by an elementary or secondary school where such employment constitutes an integral part of the regular educational program provided by the school."

Perhaps you are unaware of the implications of such a provision, but I can assure you that the vocational education personnel are viewing this within the context as I related in my letter; as it applies to handicapped students that are enrolled in a work program sponsored by the school system.

If upon reconsideration of this item, you feel that this is not in the best interest of the handicapped students and does provide a threat to community workshops, perhaps as a sponsor of this legislation you will use your good offices to have Section 208 eliminated.

Thank you for your interest and continued advocacy on behalf of the handicapped.

Sincerely,

LEONARD WEITZMAN,
Executive Director.

MARCH 10, 1972.

Mr. LEONARD WEITZMAN,
Executive Director, Vocational Rehabilitation Center, Pittsburgh, Pa.

DEAR MR. WEITZMAN: This is in response to your letter of February 28, 1972, regarding section 208 of H.R. 7130.

That provision of the bill does not, in any way, do what you suggest. It was narrowly drawn to relieve some few school systems—primarily religious-oriented—from the burden of paying their students at the minimum wage rate for work performed for the school which is integral to the regular educational program. As an example, I would point to the educational programs of schools operated by Seventh Day Adventists. Part of that regular educational program involves manual labor and other occupational activities provided by the schools. Under existing law, and without the provision contained in section 208, those students would be covered by the minimum wage provisions of the Act. The Committee bill (H.R. 7130) recognizes the potentially counter-productive current application, and added section 208 as a measure of relief. Yet, even in taking that step the Committee Report contains the following directive:

The Committee urges the Secretary (of Labor) to be diligent in determining that the employment is in fact an integral part of the regular education program and that this provision is not used to circumvent the requirements of the statute.

The statute's application to handicapped workers is prescribed in its section 14(d). That section is not affected whatsoever by section 208 of the bill. Existing law therefore, will continue to apply in the case of such workers.

I hope this response has clarified our action and that you will be assured of what I have described.

Sincerely yours,

JOHN H. DENT, *Chairman.*

APRIL 4, 1972.

Congressman JOHN H. DENT,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN DENT: In response to your letter of March 10, 1972, concerning the interpretation of Section 208 of H.R. 7130, I sought the guidance of individuals more knowledgeable than myself about legislative matters and they had difficulty in delineating what could be encompassed in Section 208 from that which is covered by Section 14(d).

Their feeling was that school-work programs for the handicapped involving employment by the school in a workshop or on other jobs would more closely fit the language of Section 208—"such employment constitutes an integral part of the regular educational program provided by the school"—than would the type of employment provided by the Seventh Day Adventists schools. The work aspect of the school-work program for the handicapped is clearly an integral part of the educational program.

While I am pleased to learn that you intend this provision to be restricted, it appears to me that neither the language of the bill nor the comment cited in the report reflects such restriction. To insure that the intentions of the bill reflect your specific concerns, it would be helpful if you would put the substance of your letter to me in the record either by incorporating it in the debate on the floor of the House when this bill is taken up or in the report that accompanies the bill upon enactment. This then could become part of the legislative history and could be used as a basis for interpreting this section as narrowly as you intend.

As I indicated to you in earlier correspondence, vocational educational personnel in certain states are already looking upon Section 208 to grant them relief from compliance with the requirements of the Fair Labor Standards Act. I hope that you will not inadvertently be a party to such an abuse and will take corrective action so that this amendment would accomplish what you expect.

Sincerely yours,

LEONARD WEITZMAN,
Executive Director.

APRIL 13, 1972.

Mr. LEONARD WEITZMAN,
Executive Director, Vocational Rehabilitation Center, Pittsburgh, Pa.

DEAR MR. WEITZMAN: Thank you for your letter of April 4, in further reference to section 208 of H.R. 7130.

I will be pleased to incorporate into the House debate on the bill my interpretive letter of March 10. The intent of the amendment will than be a part of the legislative history.

Your continued interest is very much appreciated.

With kindest regards, I am

Sincerely yours,

JOHN H. DENT, *Chairman.*

Section 209 permits the extension of minimum wage and overtime coverage to employees of preschool centers.

Section 210 clarifies certain administrative procedures regarding laundries and cleaning establishments.

Section 211 extends overtime coverage to maids and custodial employees of hotels and motels.

Section 212 precludes the availability of the minimum wage and overtime exemptions of section 139 of the act—except in certain employment situations—to conglomerates with an annual gross volume of sales made or business done in excess of $5 million.

Mr. Chairman, on this point I would direct Members' attention to the committee report and its discussion of the provision and the conglomerate phenomenon. I hasten to remind my friends from essentially agricultural areas that this provision in the bill should be fontly embraced by them as a proper response to the conglomerate takeover of family farms and the rural life.

Section 213 relates to the conduct of employment referral and listing activities at public employment service agencies.

Section 214 relates to the employment by an employer subject to the act of an alien who is in the United States in violation of law or in an immigration status in which the employment is not authorized. It also provides that any contract subject to the Davis-Bacon Act, Walsh-Healey Act, or Service Contract Act, shall contain an additional provision by which the contractor agrees not to employ any such alien in the performance of the contract.

Title III, Mr. Chairman, I am proud to say, is in this legislation because I initiated it and enough of my colleagues have to date been impressed with its essential validity. It belongs in this bill. It is as integral to the consideration of labor standards as the minimum wage rate itself.

The first part of title III is not new matter to this body. In fact, it is virtually identical to H.R. 478, a bill I introduced in 1967, which passed the House by the not-so-narrow margin of 340–29.

In order that there be no misunderstanding as to its impact and intent, I refer Members to the discussion of title III in the committee report and to the following explanation, which I have offered to all who have sought it:

We are asked to consider an amendment to the Fair Labor Standards Act which will complete the basic design for this, the most important of the Federal bulwarks to the standard of living of our people. On the obligation and ability of the employers of America's working men and women to pay a rising minimum wage and overtime pay for hours worked in excess of the statutory maximum depends the welfare not only of our working men and women in establishments engaged in interstate commerce, but of the other Americans in service or governmental employment whose livelihood is indirectly dependent upon the payrolls of our goods producing, wealth creating enterprises.

When the Congress enacted the Fair Labor Standards Act in 1938 it recognized that the existence of substandard labor conditions in the industries engaged in commerce in this Nation would be detrimental to the maintenance of a minimal acceptable standard of living required for the health, efficiency, and general well-being of American workers. In that act, the Congress prohibited the shipment in interstate commerce of goods produced in establishments whose rates of pay or hours of work failed to meet the standards specified in the act. The Congress made it a crime for such goods to be even introduced into interstate commerce.

In the 1938 act, the Congress faced the fact that a Gresham's law of labor conditions and of workers' living standards, applied to interstate commerce. The poor labor conditions would drive out the good. Goods produced below normal cost because made with underpaid, overworked labor would undersell goods produced at or above normal cost because of the cost-price advantage of the former in competing with the latter. With-

out a nationwide floor under wages and a ceiling over hours, the force of competition in the marketplace would bring all labor standards to the same low level, and dry up good-paying, high-standard-of-living jobs.

For this reason, the Congress in its statement of policy in the 1938 act declared it to be its purpose through the exercise of the power to regulate commerce among the several States and with foreign nations to eliminate such conditions. Congress alone has the power to regulate interstate and foreign commerce under our Constitution. Congress alone could take the initiative to protect the standard of living of American workers through the regulation of commerce in such a way as to safeguard wages, hours, and jobs.

The Fair Labor Standards Act, as enacted in 1938, had, however, a serious loophole which in time would permit such a rising tide of goods produced under substandard conditions to move in interstate commerce that the purposes and benefits of the act for American working men could be destroyed. That loophole concerned imports. Though the Congress made it a crime for domestic producers to produce and introduce goods into interstate commerce in violation of the labor standards expressed in the act, it failed to provide machinery to prevent the very same evil from occurring from a foreign source. Though indeed the act refers to the exercise by Congress of its power to regulate foreign commerce as part of the means to be used to correct and eliminate the threat to American living standards for our working men and women, the specific prohibitions in the act, and the machinery for enforcement of the act failed to include imported goods, made abroad under labor conditions which failed to meet the minimum requirements of the Fair Labor Standards Act.

The logic of the act is blind to the origin of the goods. The evil which the act seeks to eliminate is the impact on wages, hours, and employment itself when goods produced under fair standards for labor must compete in our markets with goods produced at lower cost because labor is paid less than a minimum wage, or forced to work in excess of our maximum hours without the payment of overtime. This detrimental impact occurs without regard to the origin of the goods which are produced by underpaid, overworked labor. If it is necessary or appropriate to outlaw as contraband goods produced in this country under substandard labor conditions, it is equally necessary or appropriate to outlaw as contraband goods produced in foreign nations under labor conditions which fall below our federally imposed standard which are sought to be imported into the United States.

It is drastic to speak of outlawing the importation of foreign produced goods which violate our minimum labor standards. We shrink from imposing penalties on foreigners as absolute as the strictures we lay on our own citizens who engage in this country in the production of goods. We need not embargo the domestic goods produced under substandard labor conditions. We can protect the standard of living of our working men and women, and thus be faithful to the national policy and purpose expressed in the Fair Labor Standards Act if we eliminate at the border the price advantage of foreign produced goods which results from the payment by foreign producers of wages below our statutory minimum and from the failure of the foreign producer to pay at minimum wage rates overtime at our time and a half standard for hours worked in excess of 40 per week. Members of this body know that typically American industries pay average rates of wage earnings to their workers which exceed our statutory minimum. We need not eliminate the entire difference between average hourly earnings of American working men and women and those of foreign workers. We can close the loophole in the Fair Labor Standards Act if we provide machinery for closing the gap, as reflected in the landed costs of imported goods, between foreign wages and our statutory minimum wage and maximum hours.

It is not necessary that we create machinery for the automatic adjustment of landed costs of all imported goods to eliminate the competitive advantage resting with such goods as a result of the substandard labor costs incurred in their production. It will be sufficient if we proceed selectively with regard to those particular imported goods which our capable and well-informed Labor Department finds on the basis of an investigation to be causing or substantially contributing to impairment or threat of impairment to the standard of living, or health, efficiency, or general well-being of any group of workers in the United States or the welfare of the community in which they live or are employed.

Thus under such a minimal, moderate approach to completing the plan of regulation of the movement of goods in commerce which has been implied in the Fair Labor Standards Act from the start, we will be doing justice—long delayed—to American working men and women, without requiring foreign producers to accept anything like the categorical burdens which we impose on American producers-employers.

The bill which we are considering today represents just such a moderate step in closing the loophole in the Fair Labor Standards Act which is being exploited so vigorously by low-wage foreign producers. Indeed, I regret to remind the Members of this body, this loophole is being exploited by U.S. business corporations which have created productive facilities at an increasing pace in low-wage foreign countries in order to remain competitive with goods produced for the American market in such countries by foreign business firms. Gresham's Law of the poor currency driving out the good never found a more striking parallel than the impact of substandard labor conditions reflected in low-wage cost foreign goods on the welfare of American working men and women through the exportation of their jobs to foreign shores.

It is common knowledge, and the exhaustive hearings conducted by the General Subcommittee on Labor have confirmed, that America's basic industries, including our most technologically advanced industries, have directed an increasing proportion of their new capital investment in the creation of facilities abroad rather than in the United States. Chemicals, electronics, machinery, metals, shoes, textiles—call the roll of American industry, and you will find the largest firms have already taken the step of investing abroad in order to secure for themselves the labor cost advantage which they have been unable to compete against in the United States because of this serious loophole in the Fair Labor Standards Act.

In a moment I shall review some of the facts which demonstrate the need for this bill. First, let us discuss what the bill actually provides, and how the machinery it creates would be intended to operate.

The bill consists of a statement of policy, a procedure for applying that policy to specific cases, and a delegation of authority to the President to take appropriate action to deal with each specific case found to meet the criteria for action set forth in the bill.

First, as to the policy. The bill would amend the statement of policy section of the Fair Labor Standards Act in two respects. These do not change the policy stated in the act: they merely complete or round out the present implied, but not clearly stated, policy of the act in regard to imports. The bill states that "the unregulated importation of goods produced by industries in foreign nations" under labor conditions detrimental to the maintenance of the minimum standard of living necessary for the health, efficiency, and general well-being of American workers causes or contributes to the evils of spreading substandard labor conditions, burdening commerce, fostering unfair competition, leading to labor disputes and interfering with the orderly and fair marketing of goods in commerce which the Fair Labor Standards Act seeks to correct and eliminate.

After amending the general finding set forth in the act as I have just described, the bill would add to the act a further declaration of policy that the Congress, through its power to regulate interstate and foreign commerce, seeks to provide for the regulation of imports in such manner as will correct, and as rapidly as possible, eliminate any actual or threatened impairment of the health, efficiency, and general well-being of any group of workers in the United States and the welfare of their communities in which increased imports are a substantial contributing factor. In other words, it is our policy to accomplish through the selective regulation of imports found to be impairing the standard of living of American workers, the same objectives which we now seek to accomplish by the outright embargo which the Fair Labor Standards Act imposes on domestically produced goods which have a comparable effect on workers' living standards. This further statement of policy necessarily incorporates the enumeration of evils now set out in the act which the Congress finds to be a consequence of the movement of goods in commerce which were produced under substandard labor conditions.

Let me recap and simplify somewhat the elements of this policy statement. Since these elements become the criteria for action by the Secretary of Labor and the President, it is important that we understand just how they are intended to be a series of alternative tests for determining when the Secretary and the President are expected to act. These criteria are the primary standard and intelligible principle which the Congress would lay down as a rule for the use of the delegated authority for Presidential action.

First. There must be increased imports. This obviously requires a comparison of the level of imports in a recent period with the level in an earlier, representative period.

Second. The increased imports must be a substantially contributing factor to a serious impairment or threat of impairment to the standard of living of a group of workers, or to the community in which they are employed. The words "substantially contributing factor" are intended to avoid the heavy burden of proof which has been required by the Tariff Commission under the adjustment assistance provisions of the Trade Expansion Act of 1962.

"Substantially contributing factor" therefore means that imports have had some influence in contributing to the economic distress or hardship affecting a group of workers or their community, but the imports need not be the major factor in causing such distress or hardship.

Third. A serious impairment or threat of impairment of the standard of living of a group of workers or of the economic welfare of their community must be found. This impairment or threat of impairment may be shown either directly or indirectly. As far as the workers are concerned, the impairment is shown directly when there is evidence of a loss of employment, of a failure of the work force to grow as where imports capture all or virtually all of the growth in the domestic market, a loss of earnings as where workers must forego wage increases because of the economic distress of the domestic industry to which import pressures contribute, or where workers lose overtime or premium pay because of a slackness of demand for domestically produced products to

which the increased supply from foreign sources has contributed.

As far as the community is concerned, economic impairment is shown by the loss of purchasing power represented by either an absolute reduction in the work force, a curtailment of the workweek of the workers, or a failure of the payrolls in the community to grow in pace with other sectors of community economic activity because of the pressures exerted by rising import competition on the ability of the producers concerned to increase wage payments at a comparable rate, or because future growth in output is transferred by the producers concerned to foreign soil.

As far as both the workers and the community are concerned, impairment or threat of impairment of their welfare is shown indirectly under the congressional finding where as a result of the rising volume of low-cost foreign produced goods, there is market disruption. The sale in the United States of goods produced abroad under labor conditions below our minimum wage or at hours exceeding our maximum necessarily constitutes an unfair method of competition if that failure to conform to our labor standards results in lower costs and lower prices that domestic producers cannot compete with and still recover their full production costs and a reasonable profit. Furthermore, the sale of imported goods under such circumstances necessarily results in disruption of our markets, thus preventing the orderly and fair marketing of domestic and foreign goods in commerce.

The workers and the community are also harmed when an increasing volume of imported goods produced at low cost by workers whose wages are below our minimum, and who are compelled to work in excess of our maximum hours without the payment of overtime, or of overtime equal to our statutory time-and-a-half formula, influences domestic producers to transfer some of their productive capacity abroad. This is shown by investment in productive facilities overseas, or by contractual arrangements to bring foreign goods into the United States under the domestic producer's brand names. In this type of situation, which is becoming all too common, the imports are a contributing factor to the spread of the foreign substandard labor conditions among the workers engaged in producing such goods in the United States. This results from the loss of jobs, or the retarding of future growth in jobs with the related loss of opportunity for advancement which growth always brings, and the curtailment of growth always retards, or from the diminishment of wage rate elasticity and the bitter labor disputes which inevitably result when management feels itself under constraints in wage negotiations which impede the establishment of wage rates which are objectively fair and comparable to wages paid similar skill levels in unaffected industries.

A community suffers impairment of its economic welfare when increasing imports contribute to the reduction of production, the transfer of jobs to other localities, the closing down of production facilities, and the retraining and relocation of workers. When the industry leaves town, if the workers remain it often occurs that they are unable to find employment at rates of pay commensurate with their former occupation. Their loss of earning power injures the community through diminished circulation of money through the service establishments of the community, through the erosion of the tax base which support local governmental services, and through the inability of the workers to contribute to economic growth of the community.

When the workers leave town, perhaps assited in doing so by the retraining allowances and relocation allowances which we have provided under so-called adjustment assistance programs, the community suffers an absolute loss of payroll inputs to the circulation of money so vital to the welfare of service industries. Schools, churches, and other cultural resources of the community feel the impact of these developments. The tax base is eroded, real estate values decline, and the difficulty which communities now experience in raising essential operating revenues is increased. The credit rating of communities is impaired by this type of occurrence, and they have correspondingly greater difficulty in financing capital improvements to provide essential services, be they hospital, school, fire, police, or welfare.

If the displaced workers chose to remain in the community left behind by a runaway industry, or made an industrial ghost town as so many small communities in this Nation have become when the local manufacturing plant, food processing center, or mining facility is closed down, the community's obligations increase, as welfare payments and the ultimate cost burden of coping with increasing numbers of poor, culturally deprived citizens is enlarged.

Next, let us consider how the machinery which would be created by the bill is intended to operate.

1. A union, a firm, an industry association, or a town, city, county or other community organization would file a written request with the Secretary of Labor asking him to investigate to determine whether a product or group of products is being imported in increasing quantities under such circumstances as to contribute substantially to actual or threatened impairment of the standard of living of the workers producing the product or group of products in the United States, or to the economic welfare of their community or communities.

2. The Secretary would publish a notice of the request and of his investigation into the matter in the Federal Register. His notice would inform interested parties of the date or dates on which he or his delegate would hold public hearings on the matter, and of the right of interested parties to be present at the hearings, to produce evidence and to be heard. It is intended that these hearings be promptly scheduled in view of the overall limits of 4 months imposed on the Secretary's investigation.

3. In his investigation, the Secretary shall determine—

(a) If imports of the product or group of products have increased by a significant amount in comparison with a representative period;

(b) If the increase in imports originated in a country or countries whose producers of the product or group of products in question pay wages below the United States minimum wage, or require their workers to work more than our weekly maximum of 40 hours without being paid time and a half for overtime;

(c) If the product or products in question of foreign origin are exported to the United States at a landed cost, duty paid, U.S. port, which is significantly below the price at which the like or competitive domestic product is normally sold in comparable wholesale quantities;

(d) If the difference between the landed cost of the imported products or product and the normal wholesale price of like or competitive domestic goods reflects substantially the disparity between the average wage payment in the foreign industry and the U.S. minimum wage;

(e) If the workers producing the domestic goods like or competitive with the imported product or group of products which is the subject of the investigation have suffered or are threatened with impairment of their standard of living, as shown by the existence of any one of the following conditions:

(i) A decline in employment;

(ii) Failure of employment in the sector of production affected to grow at a comparable rate to the growth of domestic consumption of the product or products in question;

(iii) A decline in earnings;

(iv) Failure of earnings to grow at a rate comparable to the growth experience in related but unaffected lines of commerce;

(v) A transfer of any significant amount of productive capacity from the United States to foreign soil by U.S. producers, whether through direct investment in foreign facilities, or through contractual arrangements for the production abroad and importation into the United States of the product or group of products in question under U.S. producer brand names, or for distribution by U.S. producers; or

(f) If the community or communities in which the affected group of workers is employed or in which they reside have suffered or are threatened with impairment of economic welfare, as shown by the existence of any one of the following conditions;

(i) A decline in wage payments to any significant number of workers employed or residing in the community;

(ii) An absolute loss of employment at establishments located within or near the community which provide employment normally for residents of the community;

(iii) A static level of wage payments, or of employment in comparison with trends in related but unaffected lines of commerce;

(iv) The closing of productive establishments located within or near the community which normally provided employment for residents of the community; or

(v) The transfer of productive operations in any significant degree from the community by business firms having an establishment in the community to foreign soil through the acquisition of facilities, investment in facilities, or contractual arrangements for the production of goods abroad for distribution by the U.S. firm in the United States which were formerly supplied by production from an establishment in or near the community; and

(g) If increased imports of the product or group of products are a substantially contributing factor to the conditions established by an affirmative finding under the questions presented at (a) through (e), or (a) through (d) and (f).

4. If the Secretary's findings under questions 3 (a) through (g) are in the affirmative, he is required to promptly report a finding to the President that the imported product or group of products are a substantially contributing factor to a serious impairment or threat of impairment to the health, efficiency, and general well-being of the affected group of workers and to the economic welfare of their community or communities. He shall make public his findings and report to the President and publish a summary of them in the Federal Register.

5. Upon receipt of the Secretary's report containing the above-described finding, the President shall take action to remove the impairment or threatened impairment. The action contemplated is intended to consist exclusively of customs action, either the imposition of quantitative limitations, an increase in the applicable tariffs, or the use of a tariff quota to subject further increases in imports to higher duties. The amount of duty increase or the quantity of imports to be permitted under quota are intended to be sufficient to remove the actual or threatened impairment by bringing the rate of increase of imports into line with a fair share of future growth in the market in the United States. On occasion it will also be appropriate by quota to roll imports back to a level which restores the standard of living of the affected group of workers and the economic welfare of their communities which had been impaired by excessive and rapidly increasing

imports. Such a rollback could be accomplished by an absolute quota, or in appropriate cases, by a tariff quota in which increased duties would be keyed to a trigger point designed to restore imports and domestic products to the relationship in the U.S. market which existed prior to the onset of the increased import volumes which contributed to the impairment of the welfare of the workers and their communities.

It has become customary when any legislation is considered in the trade area offering a possibility for tariff increases or the imposition of quotas for the State Department or its spokesmen in the Congress, to raise an objection on the ground that the exercise by the Congress of its constitutional duty to regulate foreign commerce will violate the General Agreement on Tariffs and Trade. It would not be surprising if someone raised such an objection to this bill. Let me, therefore, treat briefly, but adequately I believe, the GATT question.

Members of this body understand, I am sure, that the constitutional prerogatives of the Congress cannot be foreshortened by an executive agreement. So any commitment in GATT which might stand in the way of this legislation is of no moment as a barrier to the Congress working its will on this legislation.

Further, the Congress has repeatedly specifically refrained from expressing any approval of the GATT. It stands today as it did in 1947 as merely an executive agreement which has never been ratified by legislation nor as a treaty.

But there is no need to return to these basic considerations to deal with the State Department's favorite gambit in these matters. The fact of the matter is that the enactment by the Congress of this provision will not in and of itself raise any duty, withdraw any tariff concession, or impose any quota. These events surely would become possibilities if this provision is enacted, but they would occur only when, in the future, some labor organization or other interested party invoked the remedy provided by this bill, and secured a favorable finding of the Secretary of Labor and action by the President.

The General Agreement on Tariffs and Trade itself contains several provisions under which actions taken under this provision would be consistent with, and not in violation of GATT.

First, and foremost, article 28 of GATT provides two independent bases for the withdrawal of a tariff concession by the United States, and other member nations too, for that matter. It provides, first, that at 3-year intervals, just prior to the anniversary date of tariff concessions, any member country has an absolute right to withdraw completely or modify any concession which it has granted in GATT tariff negotiations. Other nations have invoked this provision; the United States has yet to do so.

Second, article 28 of GATT provides that any nation may withdraw or modify a tariff concession at any time because of special circumstances. A number of U.S. industries have petitioned the executive branch to modify U.S. tariff concessions on selected products under this provision of GATT, but thus far these requests have been denied. In explanation of this refusal to exercise an unqualified right under GATT, the executive branch has stated that it is policy to do so only under extraordinary circumstances. One such circumstance, according to the executive branch, is to deal with the situation created by judicial decision or by legislation. Thus, the executive branch acknowledges that it has a means within GATT, and consistent with our undertakings under GATT, to increase tariffs selectively by modifying or withdrawing tariff concessions for special circumstances such as compliance with legislation. Should the President determine to increase the tariff on a product or group of products which are the subject of a favorable finding by the Secretary of Labor on an application filed under the pending legislation, article 28 of GATT is available to enable the President to proceed without violating our GATT commitments.

Of course, if this legislation is enacted, it is possible that in the course of time the President may determine to modify or withdraw concessions at times which coincide with the unqualified right of the United States to do so at the 3-year intervals which mark the assured life of tariff concessions under GATT. These concessions are not permanent you know, they have an assured life of 3 years, and are extended automatically for a new 3-year period unless just prior to the termination of the 3-year period a nation exercises its unqualified right to modify or withdraw particular concessions.

The General Agreement on Tariffs and Trade also contains at article 19 as escape clause providing in substance that a member nation may modify or withdraw a concession when it is found that increased imports have resulted in actual or threatened injury to a domestic industry. One species of serious injury is a loss of employment, or of earnings of workers, either absolute or relative, much as the criteria of impairment of the standard of living of workers in the pending legislation contemplate. Accordingly, the United States could, if it wished, proceed under the GATT escape clause to modify or withdraw tariff concessions determined by the President to be necessary to remove the impairment of workers' standard of living or of the economic welfare of their communities under the procedure of the pending legislation.

The President would also be empowered under this legislation to select bilateral or multilateral trade agreement negotiations with affected supplying countries as the "action he deems appropriate to remove such impairment or threat of impairment." If the nations whose exports to the United States are impairing the standard of living of U.S. workers agree to restrain their exports in a manner likely to remove the impairment, the fact of agreement between the United States and the affected nations would prevent a violation of GATT from occurring.

The significance of the pending legislation, therefore, is that it gives the President special authority to deal with situations which his most knowledgeable Cabinet officer with responsibility for labor standards and the welfare of American working men and women advises him require his action, if the public policy of the Fair Labor Standards Act is to be achieved. Once the President acts under this legislation, the procedures exist under which he can do so with due regard to U.S. rights and obligations under GATT.

Mr. Chairman, I have presented the above outline to fully express our intent with regard to this provision. Although the Secretary of Labor will, quite appropriately, establish additional procedures and regulations in accordance with proper and effective administration of the provision, we would not want the heretofore stated basic tenets violated in any fashion.

The need for this provision, Mr. Chairman, is amply spelled out by the reams of testimony recorded in public hearings.

As for its propriety, may I again refer to the committee report. One can easily see that we are invoking a procedure implied in the substance of the Fair Labor Standards Act, and stated in the legislative history of the act. We are fulfilling the act's basic declaration, and following the actions of so many who first considered the act. We are also consistent with similar provisions found in the National Industrial Recovery Act. Finally, we are amplifying an existing provision of the Fair Labor Standards Act. In all respects, our action today is only a belated recognition of something intended so long ago.

Mr. Chairman, the second part of title III also amends section 4 of the act to impose requirements in the case of certain contracts financially supported in whole or in part by the public. It is adequately explained in the committee report, and requires essential compliance with the provisions of the act on the part of contractors manufacturing or furnishing materials, supplies, articles, or equipment in an amount exceeding $10,000.

Mr. Chairman, title IV of the bill contains conforming and updating amendments.

Title V prescribes the effective date of the bill as January 1, 1972. As I have stated earlier, I will offer an amendment changing the effective date to the first day of the first calendar month which begins more than 30 days after the date of enactment of this legislation, or July 1, 1972, whichever occurs first.

Mr. Chairman, I will not close with any impassioned pleas for this legislation. If its obvious merits do not strike responsive chords in the hearts of my colleagues, it is already too late and too futile for me to try.

Rather, I will take my place at the manager's table and listen with wonder as some of the bill's detractors initiate their wholesale onslaught with arguments invoking every conceivable ill. And I will do my literal best to defend this modest proposal with reason and compassion; all the while trying to comprehend what it is that drives men to deny to their brothers some small place in the sun.

The CHAIRMAN. The gentleman from Pennsylvania consumed 20 minutes.

Mr. ERLENBORN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise in opposition to H.R. 7130 and in support of the substitute, H.R. 14104.

I would like in the few minutes that I have to go through the committee bill, H.R. 7130, and point out the provisions that are in that bill which I consider to be unwise, and while I am doing this, I would like to have the Members bear in mind that the substitute, H.R. 14104, does mainly two things.

It has only two major provisions, so that these other things I will be describing to the Members are not contained in the substitute bill.

The substitute bill does two things. We have adopted for all intents and purposes the wage rate section, title I of the committee bill. In drafting the substitute we have agreed that it would be equitable at this time to have a fair increase in the minimum wage. We felt that the committee bill increase was not unreasonable. So there is no basic difference between the two bills in that area, particularly since I understand that the dates for the step increases will be amended by the majority, by the committee members in the committee bill so that they will be consonant with the steps that are provided in the substitute.

So that is one provision of the substitute.

The other is a provision that is a workable youth differential that will encourage private industry to provide jobs full time and part time in that area of highest unemployment—that is, the youth in our country.

There is a present differential in the law. It is unworkable and has been proven unworkable. Very few certifications are made and very few young people are hired as a result of that differential. The committee in its youth differential makes the bad provisions of the present law worse. It is just a great deal of hogwash, eyewash. It will not provide any additional jobs for young people. It will discourage their employment.

So the substitute has those two major provisions, an increase in the minimum wage rate, and a workable youth differential.

Others will be discussing the youth differential during the debate, but I might mention that studies have shown that such a youth differential will encourage employment of youth where we have high rates of unemployment. I have in my hand a letter dated May 8 from the future business leaders of American, Phi Beta Lambda, Inc., which is a group of young people who would be affected by the youth differential. This letter is an endorsement of the provisions of the substitute, H.R. 14104.

Now I will get to the committee bill and those provisions of the committee bill which are not contained in the substitute, which I consider to be unwise.

The committee bill proposes an extension of coverage for the first time of both minimum wage rates and overtime to all Federal, State, and local employees. Let us just examine that for a moment. One or two examples, I believe, would be helpful in understanding this.

Your city no doubt has workers who are required during periods of emergency to clear the roads of snow or to do whatever is necessary, perhaps in a storm to clear fallen limbs from trees, and to do other emergency type of work. Generally, cities and counties, for their State highway workers, provide compensating time off, by the State or local employer, when those employees do have to work these overtime hours in emergencies. The committee bill would say, "No longer can this be done, and if it is the local employer will have to pay time and a half or double time provided in the Fair Labor Standards Act."

There is no hint here as to where the county or State government would get the funds to meet this new budget requirement, but we are going to make this imposition upon them.

What would its application be to Federal employees? I believe one of the most telling blows in this bill, so far as we personally are concerned, which may make us somewhat sympathetic to the State and local employee situation, is that the committee bill extends this overtime coverage to all Federal employees.

The gentleman from North Carolina (Mr. HENDERSON) from the Committee on Post Office and Civil Service, testified before the Rules Committee, and the Labor Department sent me a letter verifying his interpretation, that this means we in our own offices will have to keep records and to pay overtime to our own employees, our secretaries, and our aides; and, if the House should work more than 40 hours in a week, which we do on some occasions, we would have to pay that overtime and keep all those records for the employees of the House.

Again, there is no hint as to how we would be able to work these impositions into our budgets. Who is to keep the records as to the time worked by the employees? I am not certain. The bill is not quite clear. Who is subject to the criminal penalties if one fails to pay that overtime? I am not certain whether the Member is, or perhaps the Clerk of the House. The bill is not quite clear on that.

In several places in the bill there is an attempt to tamper with existing law. At the present time, transit employees are allowed a certain exemption for overtime work. Transit workers have a unique sort of obligation. They must work during the rush hours in the morning and the rush hours in the afternoon, and this extends over a period of more than 8 hours. Often they have time off in the middle of the day, and work split shifts.

Very often they are given an opportunity of taking on charter work during the middle of the day, to fill in that time. And often they work more than 40 hours a week.

We can talk about imports, as the gentleman from Pennsylvania (Mr. DENT) does, and I have sympathy for those facing imports. But if there is any industry in this country which has trouble and if there is any industry which is sick, it is the transit industry. Do we know any of them that is not asking for a State or Federal subsidy to keep its head above water? Here in the District of Columbia the transit system in this area was before the House just this week asking for such a subsidy. How are they going to survive if the committee bill removes this overtime exemption as it proposes to do?

Nursing home employees at the present time have an exemption so that they may work 48 hours a week without the imposition of overtime. We have had a great deal of complaint, I am sure all of us, as to the cost of medical care and particularly the cost of nursing home care for the aged and the ill. The repeal that is contained in the committee bill can do nothing but drive up these already very high costs of nursing home care.

Then we have the seasonal and agricultural employees. I have seen no real evidence as to what changes have taken place since the Congress in its wisdom put these exemptions for overtime for seasonal employees in the law.

Those who work in the sugar industry—and I am sure some of my colleagues who represent those areas will want to discuss that with the House—at the present time have an exemption so that during the harvest season when they have to get out there and get the sugar beets picked or have to cut the sugarcane they will be able to work the hours necessary in order to get the job done. The overtime exemption is limited in time and scope, and I see no reason why it should be repealed.

The same is true in other seasonal employment such as the canning industry and fishing industry. The committee bill proposes to phase out and eliminate all of them.

Then it proposes to extend the coverage to a new group, namely, the domestic service employees. At the present time some of our people who are employed in this area as domestic servants are those who have the lowest skills and would find employment the most difficult. Obviously, increasing their wages for the first time by imposing a Federal minimum standard on their wages for the first time will discourage these people. Housewives will be required to keep the copious records that the Labor Department requires to prove that they paid the minimum. I am not certain they would get any credit—and they probably would not—for paying the correct payment for the carfare for the young lady to come to the house to perform the work. They would have to keep the records to prove that overtime was paid if it was warranted. I do not see how the commerce clause of the Constitution can be so stretched as to include the maid working in the private home as one who is in or who affects interstate commerce. How can that maid in the home be in or be affecting interstate commerce?

And where does the Congress get the authority to interfere in that relationship?

Employees of preschool centers would come under coverage of the minimum wage for the first time. This can do nothing but affect domestic employees who are able to maintain their employment by keeping their children in a kindergarten or preschool center. It will drive up the cost of that so that it will not be possible for them to hold their jobs.

So, with one hand we say we are imposing on your employer the Federal minimum wage so that you will get more money, but on the other hand we say that if your kid is in a preschool center, we are taking it away from you.

Mr. Chairman, the next section I want to talk about is section 212, which probably many of you have heard about.

This was not the subject of hearings. Section 212 was added by amendments after the hearings. It was so poorly drafted and thought through that even before the committee reported it out some of the most glaring defects were shown.

It refers to the so-called conglomerates. The only place it refers to conglomerates is in the title of the section, and it never repeats the word again in any of the operative sections.

Many of us know there are, but I am not certain we have a very good definition of what is a conglomerate. There is no such definition contained in the section. What the provision did in the first instance was to say that if a farmer decided that during the winter months when he was not able to farm he would like to go down South and run a hamburger stand, that he then came under

the definition of those who would be affected by section 212 because it would be one ownership of two diverse businesses. And there was no other test of it. The farmer owned a farm and a hamburger stand. He owned two diverse businesses under one ownership and one control and therefore, although neither the farm nor the hamburger stand were individually touched by the Fair Labor Standards Act, he would be required to pay the minimum wage, because section 212 would say that both of them have to pay it.

That is how ridiculous that provision was when it was drafted. When I called this to the attention of the committee as to how it was drafted, the committee decided they would have to change it. So, they put a figure of $5 million of gross income from the numerous businesses under one control or ownership as a further test as to who would be affected.

Mr. Chairman, this bill makes little or no sense. For instance, if you have a family business that has acquired a number of diverse establishments—perhaps, they have a small retail establishment here and a gas station there or whatever it might be and if they are fairly successful, they may have spread throughout the State or several different States, if one is a small establishment they are not covered by the Fair Labor Standards Act, but the mere fact is that it would require each one of them to pay the minimum wage. This may be a small retail establishment, say, with $100,000 gross income. The sum of $250,000 is the standard for the test in the act for coverage at the present time, and it is competing with like businesses in that town.

What makes it different in its competitive position? It happens to be owned by someone who owns a drycleaning establishment or service station in another town.

Mr. Chairman, I do not see any logic or reason to impose a minimum wage on that establishment merely because of that common ownership.

I thought that section 212 was one of the most inequitable, but, maybe, section 213 will take the cake in this regard.

This says to the employer who is following the law, who because he is not covered by the Fair Labor Standards Act, is not required to pay the minimum, that he cannot use the U.S. Employment Service to get employees.

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

Mr. ERLENBORN. Mr. Chairman, I yield myself 5 additional minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 additional minutes.

Mr. ERLENBORN. It says that the U.S. Employment Service that is using taxpayers' dollars and trying to find employment for those who are unemployed, you cannot refer anyone to a job that is paying less than the minimum wage, even though the employer is not required to pay the minimum wage.

This situation would be, I think, an attempt to impose a minimum wage on those who Congress has otherwise decided should not have that imposed upon them.

Mr. Chairman, one section of this bill, I think, invades the jurisdiction of the Judiciary Committee. They are, and have been, working for some time on the problem of employment of illegal aliens, and there are other Members who will address themselves to this question. However, this would put the burden on the housewife employing the babysitter to make sure that she was not an illegal alien or else the housewife would be faced with the problem of a possible fine or imprisonment.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. Yes, I yield to the gentleman from Michigan.

Mr. O'HARA. That is not the way the bill came over from the administration. However, we took out the provision to put the burden on the employer to ascertain whether or not the employee was an illegal alien. That was in the administration bill, but we deleted that part of the administration bill.

Mr. ERLENBORN. I thank the gentleman for his contribution.

Mr. Chairman, let me conclude by addressing myself to title III.

The gentleman from Pennsylvania (Mr. DENT) would have us to believe that this is nothing more than what he sponsored and what passed the House sometime in the past.

As has been pointed out in debate under the rule, this is not true.

They are really two sections, two operative sections, contained in title III.

One is this demand on the Secretary of Labor to conduct a survey and make findings and then it imposes the obligation to take action.

The other is the more horrendous. It has been described somewhat in debate, somewhat already today, but in essence what it says is that wherever the Federal dollar goes, whether it be by way of a grant, subsidy, or whatever it may be—FHA, Veterans' Administration—the loans and grants we make to operate the Elementary and Secondary Act, as we all know Federal funds are all-pervasive throughout our economy, this bill says we will use the meat-ax approach of saying you cannot buy anything that is manufactured overseas.

There is no way to make this fit our economy and our needs. There is nothing in this that says that if your college or your high school needs scientific equipment that is not manufactured in the United States that they can then buy it overseas. There is no quota that says a reasonable amount will be allowed in the United States. There is nothing that says that your police department or the Defense Department, that violently objects to this, if they need something that is available overseas, that they can get it. This is truly the meat-ax approach. This just shuts the doors to imports without any mechanism available that will meet the varying circumstances that we will be faced with. It does not give any time lag for this economy in order to develop the production capabilities to supply the imports that are coming in.

This is the most unwise of many unwise provisions in the committee bill.

I want to just reiterate that we do not in the substitute do any of these things. We have a reasonable increase in the minimum wage. We have a workable youth differential.

Mr. Chairman, I would just take a minute to mention three minor amendments in the substitute. One has to do with newsboys. This was brought to our attention by the gentleman from Kentucky (Mr. SNYDER). They are now under the provisions of the Federal Labor Standards Act allowed to work without the imposition of overtime, a minimum amount of overtime. They do it on a piecework basis when they deliver newspapers.

Recently the Labor Department has ruled that Shopping News are not the same as regular newspapers, so they do not have that same exemption. We have extended the exemption so that they will be construed as formerly.

Another has to do with an economic problem which was brought to our attention by the gentleman from Pennsylvania (Mr. SCHNEEBELI). It has to do with husbands and wives who work at the Hershey Orphanage, where they have separate homes for children, and the husband and wife live in the home and take care of a limited number of children. Under the recent ruling of the Labor Department they are required to keep copious records each time they get up in the middle of the night to take the temperature of a child, or to give that child an aspirin. And, as I understand the gentleman from Pennsylvania (Mr. DENT) he agrees that that is not a proper thing. These people get $10,000 or more, plus board and room, and we would relieve them of those reports.

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

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

Mr. Chairman, the last of these amendments is called the "High-Earner Exemption" and, as I understand it, the gentleman from Kentucky (Mr. MAZZOLI) is particularly interested in this, and he had separate views in our report of the committee, and this provides a limited overtime exemption for the small retail establishment during periods where they have a great demand, say, during the Easter sales period, or the Christmas sales period, and it really will treat these small retail establishments in much the same fashion as the larger establishments are treated under the law today. And, by the way, such a provision was in the bill as originally introduced by the gentleman from Pennsylvania (Mr. DENT).

Mr. Chairman, I hope the committee bill is defeated by the adoption of the substitute bill, and I ask for the support of the House in accomplishing that.

Mr. DENT. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. DANIELS).

Mr. DANIELS of New Jersey. Mr. Chairman, the committee bill we are considering today, H.R. 7130, is a moderate proposal. It proposes to increase the wage rate of workers covered by the act prior to 1966—the majority of whom have not had a wage-rate increase since February 1, 1968—to $2 an hour. Those employees covered by the 1966 and

1971 amendments to the act would receive an increase to $1.80 an hour within 60 days after enactment, and $2 an hour 1 year later.

The proposed increases will enhance the purchasing power of the working poor which has been seriously eroded by inflation, enabling them to purchase a few more necessities. This still falls short of providing the maintenance income as established by the Bureau of Labor Statistics. But it will be of some assistance financially, and is long overdue.

There are some who charge that this bill will cause unemployment. Such traditional prophesies which accompany each minimum wage increase have been successively refuted by studies of minimum wage effects by the Department of Labor. In referring to the effect of the minimum wage increases provided by the 1966 amendments to the act, the Secretary of Labor noted:

> Although the economic indicators just noted (continually rising prices) increased at a fairly rapid rate in the year in which the Federal minimum wage for the newly covered group was raised 15 cents, it is significant that employment in retail trade and services—the industries where the newly covered group is largely concentrated and hence most likely to manifest some impact from the wage increase—fared better than industries unaffected by the statutory escalation in the minimum wage.

So much for minimum wages and unemployment.

With regard to the wage rate increases and the phase II guidelines, let me point out that the persons who will receive these increases are specifically exempt from the wage controls of the Economic Stabilization Act. And, the Pay Board has ruled that persons earning less than $1.90 as hour are not within its purview.

The committee bill also revises and gradually phases out certain overtime exemptions in the act, so as to extend overtime protection to many additional employees. I feel these revisions are appropriate and necessary.

Mr. Chairman, I should like also to endorse wholeheartedly the student employment provision of the committee bill. This provision will enable employers to hire students—part time up to 20 hours a week during school sessions and full time during school vacations—at 85 percent of the applicable minimum wage or $1.60 an hour, whichever is higher. This is much preferable to the so-called youth minimum which is to be offered as a substitute. Proponents of the youth minimum wage have yet to produce evidence that such a subminimum wage rate will actually increase job opportunities for youth. Even the special report of the Secretary of Labor on this subject failed to find any relationship between youth employment or unemployment and the minimum wage.

Over the years, Mr. Chairman, I have participated in many debates regarding minimum wage increases. Each time opponents have raised false cries of "unemployment," "inflation," and so forth. But, the results of each increase—increased employment in industries affected, greater demand for goods through increased earning power, and general economic growth—have consistently refuted these charges.

Almost 52 million workers will benefit from enactment of this bill. For the vast majority, we are their only negotiators for better wages and working conditions. Mr. Chairman, we cannot, in good conscience, abrogate our responsibility to them.

Mr. Chairman, I would like to ask the gentleman from Pennsylvania a question prompted by a telegram from a constituent deeply concerned about the effect of the legislation on New Jersey's very active summer hiring program for underprivileged high school students. Can the gentleman tell what effect, if any, this bill, H.R. 7130, will have on that program?

Mr. DENT. I will say to my good friend that the bill will not inhibit the program in any way. Although the bill would require State and local governments to pay public employees at not less than the applicable minimum wage rate, the special provisions relating to student employment would be available to his State government. And the underprivileged students he is understandably concerned about could continue to be employed.

Mr. DANIELS of New Jersey. The gentleman is assuring me then, that New Jersey's summer hiring program for underprivileged high school students should not be adversely affected by the bill.

Mr. DENT. I am and I give you those assurances.

Mr. DANIELS of New Jersey. I think it is important at this particular time to establish the legislative intent of section 208.

I think the RECORD should show the congressional intent of the proposed changes.

Therefore, I would ask the gentleman this question. It is your intent, is it not, to build on, to enlarge the opportunities of student employment in the present law and to simplify or eliminate the certificate procedure?

Mr. DENT. It is our intent, of course, to try to simplify the procedures so that more student employees would be hired. A part of that intent will be accomplished through the simplification of the certification procedures.

Mr. DANIELS of New Jersey. I thank the gentleman.

I would like to raise two additional points.

First, when the number "four" is used in section 208 referring to four students, you mean this to be four in each establishment rather than in each enterprise?

Mr. DENT. The gentleman is correct. We used the term "employer" rather than "establishment," because the latter term has come to be a word of art within the context of the Fair Labor Standards Act in referring only to retail or service activities. But we intend that "employer" is a single business entity, just as "establishment" is. This is consistent with our effort and your desire to expand student employment opportunities.

Mr. DANIELS of New Jersey. So, therefore, the use of the word "employer" is not intended to limit the opportunities for afterschool employment of full-time students?

Mr. DENT. No; that interpretation is placed upon it by those who would like to perpetrate a fraud.

Mr. DANIELS of New Jersey. Finally, I would like to ask this question.

The elaborate description of base period use of students month by month in periods prior to coverage in 1961 and in 1966 has been eliminated by section 208 of the committee bill, but I do understand that it is not intended to reduce the rights of employers with base year records to employ their full quota of students at the special student rate, provided, of course, that such employment will not curtail employment for full-time employees?

Mr. DENT. The bill repeals the old quota system under existing law. We found it to be cumbersome and inhibitive. We have substituted vastly simplified certification procedures and I cannot imagine any employer who qualified under existing law for student certification not qualifying under the bill's procedures to at least the same extent.

What we are trying to do is to see to it that the reduced wage employee is a student, a bona fide student, and not somebody who belongs in the full labor market.

We do not want a substandard wage being substituted for the minimum wage simply because of age. This is exactly what the substitute does in essence and in practice.

Mr. DANIELS of New Jersey. I thank the distinguished gentleman and I want to compliment him for the work he has done on this bill.

Mr. Chairman, I support the bill wholeheartedly.

Mr. ERLENBORN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. ESCH).

Mr. ESCH. Mr. Chairman, I believe it is imperative that we delete title III because, in my opinion, its provisions do not belong in a minimum wage bill, and if included, would have very serious effects, both internationally and domestically.

It is not within the jurisdiction of the Education and Labor Committee to legislate foreign trade policy. Our members do not deal on a continuous basis with these problems and, therefore, are not in a position to realize the repercussions of piecemeal legislation such as title III. Furthermore, it would be an unwise precedent, I think, for Congress to give the Executive this kind of unlimited and uncontrolled power in dealing with import competition. The bill does not provide any definitions or guidelines for the Secretary of Labor or the President on which to base their investigations, recommendations, and decisions. For instance, how does one make relevant comparisons of working conditions? What constitutes "serious impairment to the health, efficiency, and general well-being" of any group of workers, or to the economic welfare of the community? How does one pinpoint the causes of impairment? To accurately make these determinations would create an administrative nightmare and necessitate sizable budgetary supplements for the Labor Department. Passage, at this time, would completely undermine all efforts of the administration to effect the monetary and trade reform measures it has been promoting during the past year.

The international implications of this

legislation would be disastrous. The Departments of State and Commerce and the Office of the Special Trade Representative have all submitted letters to our committee voicing strong opposition to title III. Even Mr. Andrew Biemiller of the AFL-CIO testified before our committee that issues dealing with international trade and investment should be handled separately from the minimum wage bill.

If enacted, title III would virtually cut off all imports, public and private, since no country, with the exception of Canada in some instances, enjoys wages, working conditions, or a standard of living comparable to that in the United States. Encompassing restrictions of this type would surely signal protectionism to our trading partners and lead to retaliation against U.S. exports. Since exports create more jobs than imports displace, such action would adversely affect many of the 2.7 million Americans currently employed in export-related jobs.

The extreme "buy American" procurement provisions would undoubtedly cause foreign governments to retaliate with "buy domestic" provisions of their own. Governments are important buyers in all countries, and are frequently the best customers of high-technology products. Since U.S. companies are most competitive in this area they are very likely to be the biggest losers in any escalation of domestic supplier preference schemes. Our aircraft industry and various machinery industries could be especially hard hit by this kind of action.

The most industrially advanced country in the world should be able to adjust to import competition without going into economic isolation. The current administration, more than any other, has effectively used the import restrictive powers it has at hand to safeguard the interests of American companies and workers. Cooperative efforts toward a comprehensive trade policy can expand these measures further, but singular unwise actions on the part of Congress may take us back to the Smoot-Hawley days and no one will gain.

I would also like to point out—as forcefully as I can—that title III is highly inflationary legislation. It would substantially affect the cost of production of many of our industries and raise prices to consumers on a massive scale. Without realizing it, the average American family already pays between $200 and $300 years as a hidden subsidy for import quotas and other trade restrictions.

Our State and local governments, already struggling with large budget deficits, would also be deprived of the price and quality advantage of foreign goods. The "Buy American" provisions would prohibit every recipient of Federal dollars, whether through grants, loans, insurance or guarantees, from purchasing supplies and equipment abroad. Hospitals, schools, offices, housing projects, transportation systems, and power generating plants, to name a few, would all be affected.

I do not believe that any Member of this House, if he looks closely at the provisions of title III and considers the effects they would have, would not agree that it is bad legislation.

NOTES ON TITLE III, H.R. 1733—FAIR LABOR STANDARDS ACT

THE PROVISIONS

Title III is in essence an extreme "Buy American" proposal. It establishes procedures for the relief of domestic industries and workers injured by increased imports from low-wage areas. Under the bill, any interested party could apply to the Secretary of Labor to make an investigation in order to determine whether specified imports produced under labor conditions below those of minimum U.S. standards, are causing or threatening to cause "serious impairment" to the "health, efficiency, and general well-being" of workers or their communities in the United States. If such impairment, or its threat, were so determined or reported, the President would be empowered to "take such action as he deems appropriate."

The title—4(f)—also provides in effect that domestic and public contracts could not incorporate items manufactured abroad under work conditions "substantially less favorable than those required under the Fair Labor Standards Act—FLSA."

THE IMPLICATIONS

First. The criteria whereby imports could be determined eligible for restriction could be applied to virtually all imports inasmuch as relatively few foreign workers enjoy wages and labor conditions comparable to FLSA standards.

Second. The bill would give the President almost unlimited power to restrict imports—power that has not been sought or desired by the executive branch. This would also set a dangerous precedent of the Congress granting the Executive an unlimited power without the usual limits on the use of that power.

Third. The bill would violate U.S. international commitments in the General Agreement on Tariffs and Trade—GATT—and the Organization for Economic Cooperation and Development—OECD—as well as several bilateral treaties. Accordingly, other countries would feel justified in applying retaliatory sanctions against U.S. exports and foreign investments. It would also seriously impair U.S. attempts to negotiate away prevailing trade barriers—foreign cooperation to that end would be unlikely in light of new U.S. trade barriers such as title III.

U.S. relations with developing countries would be particularly hard hit by enactment. These are the countries that would be the first to be affected—and are also those with which U.S. foreign policy considerations are most delicate. The effect of U.S. restrictions on their vital export industries would be to turn them further away from this country.

Fourth. Enactment would greatly encourage protectionists seeking still more extensive controls and restrictions.

Fifth. Government procurement would be severely affected. Many key items, involving unique foreign processes and innovations, would be denied to government contracts. The alternatives would not only be higher costs but a diminution of quality. Also, the United States has long been pushing for an international code on government procurement in order to promote U.S. exports—the bill would destroy these efforts. The bill is also vague on the requirements for acceptable procurement practices, providing no guidelines for certification. Also, no sanctions are spelled out, so that the Congress does not know in detail what it is being asked to vote on.

Sixth. A major effect of the bill would be to spur inflation by removing effective foreign competition from the U.S. economy—competition that is as beneficial to the consumer as it is to the total economy by forcing the application of American resources to their most efficient and productive ends.

Mr. ERLENBORN. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, I am particularly concerned about the effects that protectionist proposals, such as are contained in title III, would have on U.S. foreign policy. I am afraid enactment of title III would cause irreparable damage not only to our own trade, but to our relations with all our friends and allies. These provisions would have far-reaching implications on world trade. They would adversely affect the economic health, political strength, and eventually quite possibly have an adverse effect on the security of the entire free world.

Yet, despite these broad implications, there have been no hearings on this legislation, either in the Foreign Affairs Committee or the Ways and Means Committee. There has been no "input" or evaluation regarding the impact of these provisions on our overall trade policy or on our foreign relations.

Under such circumstances, approval of title III would be irresponsible action on the part of the Congress and dangerous to our national interests.

Last August, major steps were taken by the administration to protect the dollar and to reverse the declining competitive position of the United States in world trade. The first phase of the administration's effort came to a successful conclusion in December. At that time, in the so-called Smithsonian Agreement, the United States and other major trading nations negotiated a historic realinement of currency values.

As a result, American exports received a competitive price advantage ranging from 10 percent to 19 percent. At the same time the price of imports purchased by the United States was raised by an equivalent amount. The purpose of this action by the administration was to give the United States a substantial new competitive advantage in world trade. By the same token, it represented significant concessions by our principal trading partners. In the negotiations, it was clearly understood on all sides that no disruptive action would be taken so the revaluation would be allowed the necessary time to have an effect.

If Congress should now enact title III, under the guise of minimum wage legislation, we would completely negate the intent of the Smithsonian Agreement. We would also generally undermine the President's other trade and monetary initiative. Also, through the OECD, the United States is currently engaged in international negotiations on the liberali-

zation of public procurement practices. This is a high priority item for the United States since foreign procurement of U.S. goods far exceeds U.S. Government procurement of foreign goods. If title III is passed, the United States will have to call off these negotiations, after actively pursuing them for the past year. If this should happen, our friends abroad would undoubtedly feel that the United States has dishonored major commitments to them, and that we have acted in bad faith. They would almost certainly retaliate against American interests.

How they would retaliate is unknown, but almost surely they would erect equivalent trade restrictions against U.S. exports. American farmers would have to expect a sharp decline in their $7 billion yearly foreign sales of soybeans, wheat, feedgrains, cotton, tobacco, and other farm products. American manufacturers of airplanes, machinery, chemicals, computers, automotive products, and dozens of other manufactured items, would lose export business. This would mean that we will lose income and jobs. Every American port and port city will feel the effects, as well as American trucking companies, railways, and airlines.

That is just the immediate form of retaliation—the beginning of an economic donnybrook in which the United States and its trading partners would all be losers.

Even more serious, in the long run, however, is that this could lead to the breakdown of the free world into mutually exclusive and rival trading blocs—one centered around the EEC and including most of Europe, Africa, and the Middle East—another might consist largely of the United States, Canada, and Latin America—and a third could be composed of Japan and the Asian nations.

I am especially concerned about the possibility of such a development because, in today's world, international economic matters have become the most important political issues among nations of the free world. As a result, threats to or a breakdown of the international trading system will translate themselves into significant political trends as well. Instead of the existing cohesion and aggregate strength of the free world today, we would have economic and political rivals in these new European- and Japanese-led blocs.

The ultimate danger then, of title III is that it could start a chain reaction abroad that would shatter the political and security relations of the free world, as well as the economic ties.

When we weaken and fragment the combined strength of the free world, we also drastically reduce the President's bargaining power vis-a-vis the U.S.S.R. and China. Whether in seeking to pursue a detente toward a lasting peace, or in attempting to head off possible new aggressions by these powers, we would find ourselves leading from weakness rather than from strength. And our best hopes for peace might well be lost in the process.

Perhaps this sounds dramatic, but I assure you that these are vital considerations in considering the proposed title III. American foreign relations are far too important and far too delicate at this moment to be endangered by attaching such unwise restrictions on international trade to a minimum wage bill.

Mr. DENT. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I thank the chairman of the subcommittee for yielding to me.

Mr. Chairman, as a cosponsor of H.R. 14104, a substitute for the minimum wage bill, H.R. 7130, reported by the Education and Labor Committee, I would like to address my remarks to the provisions of the substitute generally, and, more specifically, to the provision which I feel is the most important of all; the youth differential.

The substitute measure would increase to $2 the minimum wage for nonagricultural workers covered before the 1966 amendments. This increase would take effect 30 to 60 days after enactment. Those nonagricultural workers covered for the first time by the 1966 amendments would be increased first to $1.80 effective 30 to 60 days after passage, and to $2 effective 1 year thereafter. Agricultural workers would be raised to $1.50 effective 30 to 60 days after passage, and to $1.70 effective 1 year later.

It appears to me that these increases are in keeping with sound fiscal policy and are only fair to the millions of workers covered under the Fair Labor Standards Act. The value of the dollar has been substantially eroded by inflation and is working a serious financial hardship on the workingman.

Upward adjustments in the minimum wage have taken effect in 1950, 1956, 1961, and the two-step increase of 1967–68. On these occasions the rate was raised to a level equal to about 55 percent of average hourly earnings of production and nonsupervisory workers in private nonfarm industries. A new increase was generally enacted after the rate had drifted below 50 percent of average hourly earnings of production and nonsupervisory workers in private nonfarm industries. In June 1970, when average hourly earnings rose above $3.20, the minimum wage again dropped below the 50-percent level. While the $1.60 minimum wage, in 1967 dollars, represented $1.56 in February 1968, it had shrunk to $1.31 by July 1971. In contrast, average hourly earnings increased between the two dates from $2.72 to $2.81 in 1967 dollars.

The problem is, however, that the Education and Labor Committee has not contented itself with reporting out a bill designed to remedy the effects of inflation but has piled on the measure fiscally unsound and ill-timed attempts at solving a broad spectrum of virtually unrelated matters. The committee bill contains amendments ranging from public employment agencies to import controls. Ironically enough, these provisions are cloaked in a bill that is supposed to rectify the serious problems facing the American workers as a result of inflation. The bill, if enacted, would have the countereffect of bringing increased financial woes to this group.

On the other hand, the substitute measure goes immediately to the question of minimum wage increases and provides viable solutions. There is no change from present law for overtime pay requirements, child labor provisions, tips, import injury, or a raft of other areas in which the committee bill has invaded. The substitute measure then generally holds the line as to the present law except for the minimum wage increases. This is not true, however, in the increasingly serious area of youth unemployment.

In general, the substitute provides for employment of youths under age 18 and full-time students under age 21 at wage rates not less than 80 percent of applicable minimum or $1.60 an hour—$1.30 an hour in agriculture—whichever is higher. Such employment must be in accordance with applicable child labor laws, and subject to standards by the Secretary of Labor to insure that the employment does not create a substantial probability of reducing the full-time employment opportunities of other workers.

The 1966 amendments to the act included provisions—sections 14 (b) and (c) permitting the payment of wage rates below the applicable statutory minimum to full-time students for part-time work. This permission is narrowly limited in scope and subject to a number of rigorous prerequisites. The act provides that—

First. The permissible wage may not be less than 85 percent of the otherwise applicable minimum.

Second. The only nonfarm occupations in which the lower student rate may be paid are those in retail or service establishments.

Third. The full-time student may be paid the lower rate for not more than 20 hours of work per week except during school vacation periods.

Fourth. The number of full-time student hours which may be paid for at the lower rate is limited to a percentage of the work hours of the employer's total work force which percentage is the same as that which prevailed in the establishment during a preceding period, or where records are not available to determine such previous ratios the same percentages for other similar establishments in the area during the designated periods.

Fifth. As a condition for paying the lower rate, the Secretary of Labor must first issue a certificate for each such student employee indicating that the employer is complying with the foregoing conditions and requirements. Moreover, prior to issuing the certificate the Secretary must find that such employment will not create a substantial probability of reducing the full-time employment opportunities of persons other than students to be employed at the lower rate.

The initial inquiry must be whether there is a relationship between the Federal minimum wage and the unemployment rate of young people. A report entitled "Youth Unemployment Minimum Wages," was compiled by the Bureau of Labor Statistics and outlines several studies which show adverse effects of the minimum wage. "The Brozen study relies upon changes in the unemployment rates before and after changes in the Federal minimum. In the eight instances when the Federal minimum was changed, the

seasonally adjusted unemployment rate of 16- to 19-year-olds was lower the month before the change than the month the change became effective in six instances, higher in one case, and the same in the other. The Burns study is based on unpublished regressions relating the unemployment rate of teenagers, to the unemployment rate of adult males and to the minimum wage as a percent of average hourly earnings in manufacturing. He found a significant relationship between minimum wages and the unemployment rate of teenagers, especially so in the case of Negro teenagers. The Easley-Fearn study related the unemployment rate of teenagers in various age-sex-color-school enrollment groups to the unemployment rate of adults, the proportion of teenagers in the labor force, and a set of dummy variables for each statutory minimum wage level applicable to a particular period of time. The results indicated that both the level and coverage of the minimum wage law had significant adverse effects on the unemployment of teenagers, especially so in the case of Negro teenagers."

The reasons for this relationship between minimum wage increases and higher youth unemployment are speculative. It would appear that most employers are less willing to hire inexperienced and less productive young people than older, more productive workers, even when older workers have to be paid higher wages. It is clear that when young and inexperienced workers must be paid the same wage as a more productive and experienced worker, marginal jobs will be phased out rather than filled with the younger worker.

An article which recently appeared in Nation's Business reported on the hiring practices of the Dean & Barry Co. paint store in Urbana, Ohio, and I would like to read this account into the RECORD:

The Dean & Barry Co. paint store in Urbana, Ohio, doesn't hire part-time teen-age help any more.

But it used to.

So did all the other 39 Dean & Barry retail stores. Now only the larger ones do.

"Most of our paint stores are in small, county-seat towns," says Robert S. McKay II, president.

"In the summer, almost all used to hire high-school boys. They stocked shelves, swept up and did other chores.

"We used to pay them $1 to $1.25 an hour.

"Usually, they worked full time in summer. The rest of the year, they worked a few hours after school and on Saturday. Maybe 10 to 15 hours a week. They were just extra, supplemental help.

"Then the minimum wage law made us pay them $1.60 an hour. So we stopped hiring most of them. That took away about 15 to 20 jobs.

"But the smaller stores just couldn't take the jab."

In Chicago, the same law has helped dry up job opportunities for other young people.

Carson, Pirie, Scott & Co., a giant Chicago department store, used to hire several hundred of them to fill summer jobs.

"We hired girls for our College Boards, for example," says C. V. Martin, board chairman. "They were sort of assistant clerks, models and fashion coordinators. We hired boys for jobs like stock boy or to work at our soda fountain.

"But we didn't have nearly as many this summer as we did before.

"One factor is the economy. But another is the minimum wage. It's just too high for these marginal, non-adult jobs."

He adds: "It's a tragedy, on two counts.

"Not only do young people lose the chance to earn some money. They also miss an opportunity to learn what it is to work in a department store—and perhaps decide they'd like to become merchants.

"It was kind of a vocational training."

There are several reasons why the reduction of job opportunities affects teenagers more than adults. For one thing, most teenagers, especially those just beginning work, are unskilled. The unskilled are usually the first to be let go because their work is the least essential. Second, most teenagers have little work experience. This makes them less desirable to an employer than an equally skilled adult who has worked before and has learned to adjust to a discipline of the regularity of work. The lack of skill and work experience on the part of many youth imply substantial training costs for any firm desiring to make permanent employees of these youths. A higher minimum wage would prevent youths from offsetting these high training costs with lower initial rates. As a result, youths are often hired only to meet temporary demands and are laid off during slack periods. Finally, most teenagers attend school, and thus work for them means part-time work. Unfortunately, part-time jobs are easiest to eliminate because they often provide the least essential services to the employer.

The youth differential is designed to preserve existing jobs and to create new jobs. The unadjusted rate for teenagers is around 20 percent. The inner city poverty areas showed increases in unemployment from 23.3 percent in the first quarter of 1971 to 28.5 percent in the second. For those areas' black teenagers, the unemployment rate was ever worse—from 34.2 percent in the first quarter to 39.1 in the second. In the poverty neighborhoods of the Nation's 100 largest cities, the teenage unemployment rate was 20 percent in 1968, substantially above the national average of 12.7 percent. Only 100,000 unemployed 16- to 19-year-olds, one-eighth of the U.S. total, lived in these poverty neighborhoods. However, Negro youngsters were a disproportionately large concentration. About one-third of all unemployed Negro 16- to 19-year-olds lived in these 100 poverty neighborhoods; the comparable proportion was only one-fifteenth for white teenagers. From 1948 to 1962, the ratio of the teenage jobless rate to that for persons 25 and over fluctuated between 2.7 and 3.5. Beginning in 1963, the divergence increased markedly. In that year, when the teenage jobless rate rose to 17 percent, the ratio increased to 4 to 1. Since 1963, the gap has continued to widen going well over 5.5 to 1.

The minority views on H.R. 7130 was signed by my distinguished colleagues, ALBERT QUIE, JOHN N. ERLENBORN, MARVIN L. ESCH, EDWIN D. ESHLEMAN, WILLIAM A. STEIGER, EARL F. LANDGREBE, ORVAL HANSEN, EARL B. RUTH, and JACK F. KEMP. I would like to excerpt from this excellent statement to illustrate the glaring deficiencies of the committee bill's treatment of the youth differential:

The committee bill replaces the existing wholly ineffective youth differential wage program with a program which even the most cursory glance reveals as equally ineffective. It retains most of the significant defects of the present law; to wit, it applies only to full-time students for part-time work, requires precertification by the Secretary of Labor, contains a potential limitation on the numbers which may be employed by each employer at the lower rate, and although it does not in specific terms limit such employment to retail, service, and agricultural occupations, it does so in fact by excluding from the program a long list of occupations. These include work in mines, factories, warehouses, storage, construction, longshoring, explosives, products containing explosives, plants storing the same, motor vehicle driving, logging, certain power driven machines, slaughtering, meat packing, bakery machines, brick and tile factories, wrecking, demolition, roofing, excavation, et cetera and other occupations determined by the Secretary to be hazardous for students. The provision for a lower minimum rate in the committee bill would do little or nothing to help in securing any significant number of jobs for our unemployed youth.

First of all, it is limited to part-time jobs of which there are relatively few. Moreover, even the supply of these would be further diminished because of the limitation on the number of students whom each employer may pay at the lower minimum rate. Moreover, the certification requirements with their accompanying red tape which each employer must meet as a condition of securing a certificate permitting the payment of the lower rate would have the same effect of discouraging employers from applying for certificates as prevails under the youth differential provisions of the existing law. And, finally, payment at youth rate would be prohibited in a base segment of the American economy, with the remaining segment extending very little beyond the "retail and service" sector to which the lower youth rates are confined under the ineffectual existing law.

But equally, and probably even more important than the extremely small number of youth jobs which the committee bill would open up, is the limitation that only full-time students—in part-time jobs—may be paid the lower rate. Unemployment among full-time students is not "the heart of the matter." Full-time students seeking work do not make up the great bulk of the young people who virtually spend all day loitering on the streets of the inner-city, and whose joblessness has become one of the gravest social problems of our time.

We do not deny that many full-time students encounter serious financial problems in their attempts to complete their education, and that more job opportunities should be available to them to help them in reaching that goal. And in recognition of that need, we support making the differential minimum wage program applicable to them. But the provisions in the committee bill allegedly designed for that purpose are, as we have pointed out, so restricted that they will prove no more helpful than the provisions that they will replace in the present law.

We favor unlimited access to employment in all segments of our economy to full-time students under the age of 21,

with no discouraging certification procedures attached. We do not even see the need for limiting these opportunities to part-time jobs for the simple reason that the overwhelming majority of full-time students could scarcely hold a full-time job and simultaneously cope successfully with their school studies. In the rare situation where the need of the student is so great that he feels that he must have a full-time job in order to continue his education, and that he can manage his studies successfully while holding such a job, we see no reason for prohibiting him from doing so. This limitation in the committee bill obviously is not designed to protect the student—its purpose is clearly to throw an obstacle in the way of his getting a full-time job because the limitation applies only if he is to receive the low youth minimum rate. If the employer is willing to pay him the applicable higher regular minimum rate, then the apparent concern for the well-being of the full-time student vanishes and there is no legislative barrier to his being so employed, even if he should choose to work long hours of overtime at the regular higher minimum rate.

But what is most absurd about the provision in the committee bill is its exclusion from the permission to pay the lower youth minimum of a long list of occupations, allegedly on the ground that they are hazardous for students.[2] A full-time student, 19 years of age for example, is endangering his own safety or health if he works in one of these occupations at the lower rate, but his work miraculously ceases to be hazardous if he is paid the higher regular minimum wage. The absurdity is so evident, that the professed concern for the health and safety of the student can only be regarded as a device to conceal its real purpose, which is substantially to deny not only full-time but even part-time jobs to unemployed youth. The more one examines the youth differential wage provisions in the committee bill, the more difficult it becomes to believe that helping unemployed youngsters get jobs was even a minor consideration in the inclusion of these provisions.

Under the Fair Labor Standards Act as presently written there are provisions limiting, and in many instances completely prohibiting, the use of child labor by employers to whom the act applies—see section 3 (1) and (12)—of the act. These sections prohibit, first, the employment of children under 16, and second, of children between the ages of 16 and 18 in any occupation found by the Secretary of Labor to be particularly hazardous for children between such ages. However, the Secretary may permit employment of children between 14 and 16 except in mining and manufacturing if and to the extent that he determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

Now it is interesting to note that the list of occupations enumerated in the committee bill and in which payment of the lower youth wage is prohibited, is lifted almost verbatim from the regulations listing the occupations which the Secretary of Labor has found to be hazardous to children—there is no mention of students—and in which the employment of children is completely prohibited. Inasmuch as the committee bill places no age limit on the full-time students who may be paid the lower minimum wage, the result is another absurdity, to wit, that a full-time student over the age of 18, even a graduate student aged 23, 24, 25 or even older, is prohibited from performing in jobs which are determined by the Secretary of Labor to be hazardous only for children under 18, but which apparently cease to be hazardous for a full-time student if the applicable regular minimum and not the lower youth minimum is being paid to such student. However, the committee bill specifically retains the existing prohibitions on the employment of child labor (as does our own counterproposal), although the language of the committee bill treats full-time students as adults if they are paid the full minimum wage but as children if they receive the lower youth minimum, and this without regard to their actual age.

If it is assumed despite appearances that there is some degree of rationality in the committee's provisions on a youth differential wage rate, it must be sought not in the provisions themselves but in their inevitable effects which obviously reflect their purpose. These seem to be to make it as difficult as possible for young people to secure not only full-time jobs but part-time employment as well.

Our counterproposal, as noted above, permits payment of the lower youth minimum to full-time students under the age of 21, with no limitation to part-time jobs only, no restrictions on type of occupation—except as prohibited or restricted by the applicable child labor laws—no limitation on the number which an employer may employ at the lower youth rate, and with no requirements of governmental certification and the inevitable burdensome redtape which always accompanies official certification requirements. But even this proposal, which is both liberal and realistic, deals with only a part of the youth unemployment problem. Full-time students seeking work are far fewer in number than the many thousands of jobless youngsters who inhabit the poverty areas of the inner city. A large proportion of these youngsters are black; a sizable segment belongs to other minority ethnic groups.

The overwhelming majority of these young people, frequently frustrated, desperate, and hostile, have ceased to be students, and most of them have no intention of continuing or resuming their education. They constitute the category so often referred to as "drop outs," who need jobs, who in the words of the Twentieth Century Fund report quoted above "want the opportunity to support themselves and live useful lives."

The committee bill ignores them completely. It is precisely these youngsters whom it is most difficult to induce employers to hire, who are most in need of being hired. Every legitimate inducement which will encourage employers to give them jobs must be invoked. The other more important part of our counterproposal, therefore, includes a provision permitting employers to employ any youngster under the age of 18 at the lower minimum wage rate for youth if the employment is not forbidden by the applicable child labor laws. The nonstudent status of such youngsters is immaterial.

The only other conditions attached to our counterproposal for a youth wage differential for youth under 18 and students under 21 is that the Secretary of Labor promulgate regulations to insure that these differential youth wage hirings will not create a substantial probability of reducing full-time employment opportunities for workers and job seekers who are neither young people under 18 or full-time students under 21.

Labor leaders have been generally critical of a youth differential because it could result in the displacement of working family heads. Although there is some competition between youths and adults for the same jobs, careful analysis suggests that the youth differential will not have a substantial impact on this competition. The differential applies to those youths who are least likely to compete with adults; namely, those under 18 and full-time students under 21. Most of these youths are seeking temporary summer work or part-time jobs during the rest of the year. There will be some competition between members of this group and women who are seeking part-time work only. However, the low-skill level, lack of work experience and high turnover rate characteristic of youths will counter any advantage they may derive from the lower differential. The following chart shows the occupational distribution by sex, of those over 20, those 18 and 19 years old and those 16 and 17 years old:

TABLE I.—OCCUPATIONAL EMPLOYMENT BY AGE AND SEX, 1971 ANNUAL AVERAGES (PERCENTAGE DISTRIBUTION)

	20 years and older			18 and 19			16 and 17		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Professional and technical	15.0	14.5	15.7	3.4	3.3	3.5	1.4	1.2	1.8
Managers, officials, and proprietors	11.8	15.6	5.5	1.1	1.6	.6	.3	.5	.2
Sales workers	6.2	5.8	6.7	8.5	6.1	11.5	10.2	8.2	13.0
Clerical workers	16.7	6.6	33.6	25.9	9.3	45.6	13.3	6.1	23.2
Craftsmen and foremen	13.6	20.8	1.4	6.2	10.8	.6	2.6	4.1	.6
Operatives	16.5	18.1	13.8	19.1	26.6	10.0	10.4	14.8	4.3
Nonfarm laborers	4.3	6.4	.8	12.6	22.1	1.2	17.2	28.4	1.8
Private household workers	1.6	.1	4.1	2.1	.1	4.4	10.2	.7	23.5
Other service workers	10.8	7.3	16.7	17.0	13.6	21.1	26.6	24.8	29.1
Farmers and farm managers	2.3	3.4	.3	.2	.4	.1	.2	.3	.1
Farm laborers and foremen	1.4	1.4	1.4	3.9	6.1	1.3	7.6	11.2	2.6

Youths, particularly those 16 and 17 years old, tend to have markedly different occupation patterns than adults. This is consistent with the idea that there are many jobs in our economy that are essentially designated as jobs for teenagers and others that are designated as jobs for adults and that there are only limited areas of competition between the two groups.

The Office Education Association, a vocational organization with the purpose of promoting competence in occupations, has provided me a copy of a resolution which was adopted by 2,000 young people at their national leadership conference. The association represents a total membership of 37,000. I would like to read the association resolution into the RECORD at this time:

OFFICE EDUCATION ASSOCIATION RESOLUTION

Whereas Congress is considering the youth differential to the minimum wage bill, and

Whereas we, the Office of Education Association, want to increase jobs for the youth, and

Whereas we want to keep inflation at a minimum,

Therefore be it resolved that the youth differential wage rate be included in the minimum wage legislation.

The essence of the youth differential is summed up quite well by Prof. Paul A. Samuelson, of Massachusetts Institute of Technology, when he questions the effect of the minimum wage law on black youth. "What good does it do for a black youth to know that an employer must pay him $1.60 an hour—or $2, if the fact that he must be paid that amount is what keeps him from getting a job?"

I, therefore, ask my colleagues to join me in voting in favor of H.R. 14104, the substitute for the minimum wage bill, H.R. 7130, reported by the Education and Labor Committee. Prudent minimum wage increases, coupled with the "youth differential" as set forth in the substitute bill, are sound answers to serious economic ills.

Mr. ERLENBORN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Chairman, I shall support the Erlenborn substitute and the Anderson amendment to the Erlenborn substitute.

Mr. Chairman, at the outset I want to discuss a more fundamental problem than the concept of coverage and the minimum wage.

I could not help but be impressed when I read not very long ago a book by Charles Stewart and John Peterson entitled "Employment Effects of Minimum Wage Rates" which was published in 1969. Here is a part of what they wrote:

Why has the question of the effects of minimum wage rates gone unresolved so long? There appear to be two major reasons. One is the high degree of emotionalism in the debate, arising largely from the reformer's and the partisan's zeal. Reformers tend to see the goal of achieving minimum social standards through federal wage laws solely as a question of will, and not of means. Businessmen may question the costs, and economists may question whether the approach really produces the intended result of aiding the poor. But reformers impatiently brush aside these objections as technical—or as evidence that opponents of minimum wage rates do not share concern for the needs of the poor.

Emotions are also inflamed by the economic self-interest of protagonists, with the conflict of economic interests often camouflaged in the language of class warfare. Wage minimums commonly are said to protect oppressed workers against employer abuses. Actually the conflict is primarily between competing employers, competing worker groups within low-wage industries or competing geographic regions. The slogan, "stopping unfair competition," suggests what long has been a major political motivation behind minimum wage laws:

Mr. Chairman, I think the point made in that short paragraph is important in terms of the consideration by the Congress at this time of the committee-reported bill.

That bill, I think, would be a serious mistake.

The gentleman from New Jersey (Mr. FRELINGHUYSEN) and the gentleman from Michigan (Mr. ESCH) have both discussed in detail title III of this bill. I would suggest there is one other factor which must be considered in deciding whether or not to accept the committee-reported bill, and that factor is competition. Stifling competition can seriously disrupt the ability of groups, individuals, companies, and workers to function in our economy; moreover, it can do serious damage to those who are employed.

I think it inappropriate for the House to pass the committee-reported bill and for that reason I am going to support the Erlenborn substitute.

There are, Mr. Chairman, some other problems in the committee-reported bill which are solved by the Erlenborn substitute.

For example, in the individual views attached to the committee report, a number of us question the phasing out of the partial overtime exemption for employees of the regulated local transit companies.

A further provision of that section of the committee bill would repeal the exemption entirely on January 1, 1974. We think this exemption should be retained. Unusual conditions exist in public transit employment. Hours of employment cannot be made uniform because of factors not subject to the control of the employer, such as public demand and street and weather conditions. Imposition of the 40-hour-week overtime standard would result in increased operating costs at a time when there is ample documentation that gross revenues are down and operating losses are up. Further financial stress is likely in many areas to result in fare increases or reductions in service. For those who depend on public transportation, the repeal of this exemption could cause real hardship.

Mr. Chairman, I have received a communication from a transit union asking that we eliminate the overtime exemption. This I understand, but I could not help but be impressed by an article which appeared in the Oshkosh Daily Northwestern earlier this year which states in part as follows:

The Milwaukee and Suburban Transport Corporation may very well be the only urban bus system in the State to have operated in the black during 1971.

Mr. Chairman, at the time we go back into the House I shall ask unanimous consent to have the full news report included as a part of my remarks. I think that it tells the story effectively and also explains a major problem of the committee-reported bill as it stands at the present time.

The news report follows:

MOST STATE BUS SYSTEMS WERE IN RED FOR YEAR 1971

A survey by the state Department of Transportation of urban mass transit trends during 1971 concludes that the Milwaukee and Suburban Transport Corp. "may very well be the only urban bus system in the state to have operated in the black during 1971."

According to the report, there are now 22 Wisconsin cities with local bus systems. The DOT report asserted "The outlook for 1972 is for an intensification of local efforts to maintain urban mass transportation systems."

It said "In many communities the central question has shifted from 'Should we maintain a mass transit system?' to 'How can we improve the quality and efficiency of our transit system?' "

There are six cities—Madison, Duluth-Superior, Kenosha, Ashland, Janesville and Stevens Point—which have public bus systems.

Eleven cities—Oshkosh, Appleton, Fond du Lac, Manitowoc, Sheboygan, Rice Lake, Eau Claire, La Crosse, Watertown, Beloit and Wausau—have private bus companies which receive city subsidies.

Green Bay, Marinette-Menominee, Milwaukee, Waukesha and Racine have private bus lines which receive no subsidies.

The Madison and Green Bay system had by far the largest deficits. The Madison system lost $744,000 counting depreciation, during 1971 and the Green Bay bus operation had a deficit of $220,000.

The losses in the other cities ranged from $75,000 in Eau Claire to $300 in Stevens Point. The Marinette-Menominee system broke even.

The City of Oshkosh paid a subsidy of $12,000 to City Transit Lines in 1971. The subsidies paid to private operators in other cities ranged from $40,000 in Eau Claire to $2,400 in Watertown. Six of the cities with subsidies paid more than Oshkosh did.

According to the DOT, City Transit Lines had a deficit of $5,000 last year, in addition to the $12,000 subsidy paid by the city.

In the other cities with public bus systems, the Janesville bus operation lost $50,000, while Duluth-Superior had a deficit of $30,000 and Ashland a loss of $8,800.

In Kenosha, the city's private bus company terminated bus service on Feb. 15, 1971, and a locally organized public commission started operation of a public bus service on Sept. 7.

The adult cash fare in Oshkosh, 30 cents, was about average for the 22 bus systems. The fares for urban service ranged from 20 cents in Ashland and Watertown to 50 cents in Manitowoc.

The fares were generally cheaper in cities with public systems. The Duluth-Superior system was the only public bus operation with a base adult fare of more than 25 cents.

Oshkosh had 1,008,858 bus passengers during 1971, ranking it third in the state in the number of passengers carried, behind Madison and Milwaukee. The number of passengers carried in Oshkosh was 9.8 per cent lower than in 1970, compared with the statewide drop in riders of 9.4 per cent.

Every city in the state, with a population

over 25,000 except for some Milwaukee suburbs, has a locally-operated bus system. But there was a big variation among these cities in the per capita ridership. Only 84,595 passengers were carried in Beloit and 37,325 in Manitowoc last year.

On the other hand, La Crosse reported 908,659 passengers and the Eau Claire system carried 869,452 passengers.

The figures reported by the bus companies don't show any definite correlation between the size of fares and amount of a bus system's operating losses and the number of passengers carried.

Only two bus operations in Wausau and Madison, reported that they carried more passengers in 1971 than in 1970. The increases were attributed to promotional efforts and improved bus service. In Wausau, a public transit commission is in the process of taking over the bus line, with the aid of a federal grant.

In Rice Lake, which didn't submit complete figures on its 1971 passenger business, the DOT reported, "Recent improvements seem to be paying off for the Rice Lake Bus Co. In one week alone (Dec. 13–19), adult passengers increased by 60 per cent over the previous week. New bus stops in outlying areas, city-purchased bus stop signs, strict adherence to the new bus schedule and newly printed schedules are some of the factors responsible for the increased ridership."

Mr. Chairman, in addition to that problem, there continues to be a need and a justification for the agricultural processing and seasonal industry exemption. It has been in effect since 1938. Unavoidable seasonality of supply and highly perishable commodities continue to make lengthy processing days absolutely essential. Conditions also mandate the location of plants in sparsely popuated rural areas where shortages of seasonal labor during peak processing periods make it very difficult for employers to find sufficient labor to operate on a basis of 8-hour shifts. Overtime is the only answer. The imposition of a statutory premium for all overtime under these conditions is not only inequitable, but is ineffective in achieving the purpose of spreading work and reducing unemployment.

The precarious economic condition of the canning industry, for example, is well documented. The National Canners' Association reports that according to the 1967 census of manufacturers the number of establishments canning fruits and vegetables decreased 25 percent, from 1,630 in 1958 to 1,223 in 1967. Many canners will find it impossible because of their economic and geographic situation to operate without the present limited exemption for penalty overtime. If the raw product cannot be handled as it comes to the canning plant, much of it will be wasted, and delay in packing will reduce the quality of the canned product.

This is another reason why the Erlenborn-Fuqua substitute ought to be adopted. It would remove that inequitable provision found in the committee-reported bill.

A part of the Erlenborn-Fuqua substitute, which was found in the original Dent bill at the time it was introduced, H.R. 7130, is the so-called high-earners amendment. The Men's Wear Retailers of America, a national trade association representing some 4,000 independent men's wear merchants who operate in nearly 7,000 stores throughout the United States, state that this high-earner's amendment "is a chief legislative aim of our membership" and it is something with which I have worked with the gentleman from Illinois (Mr. ERLENBORN) in an attempt to insure that we do provide that a high-earner's exemption become part of the law.

This simple solution makes available to smaller employers their most qualified salespeople during their peak 7 weeks of the year, and only during a 7-week period. It applies only to the first 8 hours' work in any week beyond 40, and it does require the regular rate to be at least twice the applicable legal minimum. Only 56 hours of exempted overtime work in any one year would be available to employees who qualify.

I urge the House to support this relatively minor change in order that we have more equitable treatment for the small businessman.

Mr. Chairman, if I may, let me turn now to some other basic questions relating to that provision in the Erlenborn-Fuqua substitute bill which would provide for a youth differential. Many letters have come to my office from people in the State of Wisconsin and the Sixth District, and they relate some very important stories as to what will result if we do not consider the problems facing teenagers in the employment market. For example, one letter says:

> We have been in the retail . . . business for the past 24 years. We employ 21 to 24 part-time young men as carry-outs and stock boys. If this new law is put into effect—

And they are referring to the Dent bill—

> We will be forced to lay off all but six of these young men.

I am struck by further information which has come to my attention as a result of actions taken by groups active in this field. For example, the Future Business Leaders of America—Phi Beta Lambda, Inc.—is an organization of young people who are preparing for future responsible positions in business, has written the following:

> We urge you to support the "youth differential" concept as embodied in the Erlenborn substitute in order that more jobs and job training opportunities will be available to the youth work force of America.

Mr. Chairman, at the proper time I shall ask unanimous consent to include the full text of that letter so that it might be available to the members of the committee in their consideration of this question.

The matter referred to follows:

WASHINGTON, D.C.,
May 8, 1972.

Hon. WILLIAM A. STEIGER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: Future Business Leaders of America-Phi Beta Lambda is an organization of young people who are preparing for future responsible positions in business. Our membership is composed of the young people you hear little about—the responsible, hard-working youth of today who are working to build our country's strength and glory.

We are currently very interested in legislation soon to be acted upon by the Congress. Representative John Erlenborn has introduced H.R. 14104, an Administration supported minimum wage substitute to the Dent bill (H.R. 7130). This substitute will be offered next week if the minimum wage bill is taken before the House at that time. A basic provision of the Erlenborn substitute involves a "youth differential" which has the full support of not only the Administration, but also other major organizations representing the interests of young workers.

As we understand Mr. Erlenborn's bill, the "youth differential" would operate as follows: the current $1.60 minimum wage would be retained for (a) young workers under 18, and (b) full-time students under 21.

We urge you to support the "youth differential" concept as embodied in the Erlenborn substitute in order that more jobs and job training opportunities will be available to the youth work force of America.

If we can be of any assistance to you or your staff in relation to this matter, please feel free to call on me or my staff.

Sincerely yours,

O. J. BYRNSIDE, Jr.,
Executive Director.

Beyond that, the Office Education Association held its national convention recently in Columbus, Ohio. The Office Education Association is a 6-year-old association with 37,000 members, primarily secondary and post secondary students involved in business skills and office education.

The OEA passed a resolution as follows:

> Whereas the Congress is considering a "youth differential" to the Minimum Wage bill, and
>
> Whereas the Office Education Association wants to increase jobs for the youth, and
>
> Whereas we want to keep inflation at a minimum
>
> Now therefore be it resolved that the "youth differential" wage rate be included in minimum wage legislation.

Mr. Chairman, these indications of support by groups of young people, are very significant indications of the thought and support that ought to be given by the House for this purpose.

There are other people who have written me—a man who operates a woodworking company in the Sixth District in Wisconsin.

That letter is as follows:

SHEBOYGAN, WIS.,
May 8, 1972.

Hon. WILLIAM E. STEIGER,
House Office Building,
Washington, D.C.

DEAR BILL: I am writing as a private citizen about the legislation concerning minimum wages.

As you know, I operate a woodworking company, making frames for upholstered furniture. It has always been our policy to hire several retired (over 65) woodworkers who work part time each year until they reach the maximum allowed under social security regulations.

We also employ part time student workers. Most of these people work for 1.60 to 1.70 per hour. They comprise about ⅓ of our work force and ¼ of our man hour output.

Before the last two increases in minimum wages we employed two full time men to load and unload lumber by hand at minimum wages. They were not intelligent enough to work any other place in the shop. With the second last increase, we dropped them and used a fork lift to do their work.

After the last increase, we dropped a man who was employed to fire our furnace using scrap lumber. Now we have a gas boiler and a hauling service hauls our scrap to the city incinerator. (They like the wood.)

Since wages and lumber amount to 80% of our costs a raise in minimum wages will force us to raise our prices and we will look for younger men to replace the slower older ones.

When you talk about hard core unemployables, the constant raising of minimum wages have frozen these people out of industrial jobs. In summer time we hire vacationing students, but at a $2.00 per hour level, we would look for someone with better qualifications.

I think a raise in minimum wages would negate the preachings we hear from Congressmen about hiring the poor man on relief and holding down prices. The latter two are much more important than raising minimum wages.

Sincerely,

ERNEST A. LUTZE, Jr.

That letter, Mr. Chairman, among others clearly indicates that there has to be recognition by the Congress of this problem facing employers, teenage employees, and if we do not adopt the Erlenborn substitute, we will do a disservice to the employability of those who at present time are in need.

Women, teenagers, nonwhite, and particularly nonwhite teenagers are especially hard hit. Before 1956, when the minimum wage was 75 cents, the quarterly unemployment rate among nonwhite teenagers ranged between 13 and 18 percent, several percentage points above the rate for whites. However, within 2 years, after the minimum wage went up 33 percent, the unemployment rate for white teens rose to 14 percent while the rate for nonwhite teens jumped to 27 percent. Since then, three more increases in the minimum have been introduced. And the nonwhite teenage unemployment rate has risen to over 30 percent, more than twice that for whites.

These are a number of reasons one might advance to explain the advantages of the substitute for the committee bill.

On balance, it seems to me, the best course of action available to the House tomorrow and the cleanest and most equitable way of handling this problem and providing for an increase is to adopt the Anderson amendment to the Erlenborn substitute and then adopt the Erlenborn substitute. As a result, we defeat the committee reported bill and go on about our business to effectively and efficiently raise the minimum wage and at the same time recognize the problems inherent under the minimum wage and particularly the problems involved in the question of youth employment.

Mr. Chairman, I urge the adoption of the substitute to the committee reported bill.

Mr. DENT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan (Mr. O'HARA).

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

Mr. O'HARA. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. The gentleman from Michigan, earlier in a colloquy with the gentleman from Illinois, indicated that the provision on aliens had been something submitted by the administration. Could the gentleman clarify that statement for me, because I must admit I do not recall any such bill submitted by the administration and I would be interested in knowing to what you refer.

Mr. O'HARA. It is my intention to do so in my remarks.

Mr. STEIGER of Wisconsin. I thank the gentleman.

Mr. O'HARA. Mr. Chairman, I take this time to comment on section 214 of the pending bill—a section which I offered in the committee, and which, I feel, ought to be able to become law without serious controversy, since it embodies a proposal which enjoys the support of the administration, was adopted in committee without dissenting vote, and which only seeks, in effect to encourage greater respect for the spirit and letter of the law among a very small group of employers.

Section 214 would make it an offense, punishable by fine or imprisonment, knowingly—and Mr. Chairman, I repeat the word "knowingly"—to employ an alien who is in the country illegally, or who is in the country in an immigration status which makes such employment illegal.

A few remarks about what this bill does not do are in order, since there has been significant misunderstanding about its thrust.

This section does not seek to place any restriction on the alien that the law does not already put there. If an alien is in the United States illegally, he is subject to the penalties of existing law. This is already the case, and section 214 does not change it in any way.

This section does not subject to any legal penalty the employer who unwittingly hires an alien who is in the country illegally, or whose employment is illegal under the circumstances of his admission. Such an employer, who has not "knowingly" employed such an alien, is unaffected by this proposal. Neither does the employee have any obligation to ascertain an employee's immigration status.

The offender against whom this language is directed is the employer—and we have a few of them in this country—who exploits the illegal alien; who, in so doing, depresses wages and working conditions for every resident worker, and especially for the lawfully resident alien, and who under present law, runs absolutely no risk.

Here is how it works under present law.

One of these employers will hire an illegal alien. He may promise him anything—but he may well give less than he promised. In any event, he will probably pay him less than the minimum wage law requires. He will, in many cases, fail to cover the employee with social security, workmen's compensation, health insurance or the other protective devices which the law, Federal and State, may require—and the employee is totally powerless to do anything about it. If the employee makes any gesture of complaint, the employer can make an anonymous call to the Immigration Service—and the employee, already victimized by his employer—pays all of the penalty. The next morning, the employer hires another illegal alien and the process begins again.

The illegal alien is the victim. The lawfully resident alien, or the native-born citizen, is the victim because the wages and working conditions in jobs to which he may aspire, are held down through the competition from illegals. The employer shares none of the risk.

Section 214 of the pending bill will not end this practice altogether. But it will give the immigration and naturalization people a tool which they can use to crack down on known and blatant offenders among employers.

Some of us have been told that section 214 is discriminatory in its effect, that it will victimize particular groups of lawful residents, especially those of Latin-American and Caribbean antecedents.

Mr. Chairman, let it be said that it is precisely these Americans who are now the chief victims of the wage and working condition deflation that is permitted and encouraged by that gap in existing law which allows the unscrupulous employer to simultaneously exploit the illegal alien and use the labor of that illegal to bludgeon further into poverty and oppression Americans of the same ethnic strain who live on this side of our borders.

The language of section 214, Mr. Chairman, was taken directly from the H.R. 2328 administration immigration bill, introduced by the distinguished gentleman from Ohio (Mr. MCCULLOCH). I did not include all the provisions of that bill, because of the persuasive arguments of civil libertarians. The original bill contained a provision which would have established a presumption that the employer was "knowingly" employing such an alien if he had failed to make an effort to establish the job applicants immigration status. This provision is not in section 214, and I would have to oppose its inclusion. If it were in the law, then, indeed, the job applicant of, let us say, the Mexican-American community, no matter if his family has lived on this side of the border since there was a border, could be required to show "proof of citizenship" while some Irish cousin of mine, fresh off the boat from Cork, might not.

This flaw in the original bill was pointed out in the committee, by, among others, the distinguished gentleman from New York (Mr. BADILLO), and the gentleman from California (Mr. BURTON), and that particular language was stricken from the amendment before it was offered in the committee.

We have, I think, avoided the likelihood of utilizing this section in a racially or ethnically discriminatory fashion. We have done so, to be sure, at the cost of making the purpose of the law a little harder to attain. But that is a sacrifice I believe, as a civil libertarian, we were obliged to make.

I have discussed this legislation with some of the outstanding spokesmen for the Mexican-American community. I have discussed it, for example, with Cesar Chavez and other officials of the United Farm Workers. They agree, that the illegal alien has been at one and the same time the victim and the tool of exploitive employers who would like nothing better than to end once and for all efforts to bring decent wages and working conditions to agriculture. And Cesar Chavez has indicated to me that he supports section 214 of H.R. 7130.

The Subcommittee on Immigration of the House Judiciary Committee, under the very able leadership of the distinguished gentleman from New Jersey (Mr. RODINO) has also grappled with this problem—in greater detail and at greater length than has the Education and Labor Committee. And Mr. RODINO's subcommittee has emerged with an excellent bill, H.R. 14831, which would amend the Immigration and Nationality Act to the same end that section 214 would amend FLSA.

Section 14 of Mr. RODINO's subcommittee bill differs in detail from section 214 of H.R. 7130, but not in objective, and not in its effect. Mr. RODINO's bill in addition to making some conforming amendments in the Immigration Code, would also make illegal the knowing employment of an illegal alien. Unlike my section, Mr. RODINO's bill would give an offending employer a citation on his first offense, a fine on his second, and a jail sentence on his third or subsequent offense. Let me say frankly that I would be delighted to accept Mr. RODINO's section 14 as a substitute for my own section 214, if it is so offered.

It is, of course, my earnest hope and my expectation that all of the Rodino bill will be given expeditious and favorable handling by the Rodino subcommittee and by the full Judiciary Committee. It contains a great many provisions of great importance in addition to the provision dealing with the employment of illegal aliens. But since we have the vehicle before us for the speedy consideration of the present section 214, since we have the endorsement of the objective by the chairman of the Immigration Subcommittee, and by the administration, then I suggest we should move ahead with what we have, get it on its way toward the statute books, and then let the Committee on the Judiciary come up with a further refined version—which I, for one, will almost certainly support.

Let us look, very briefly at the magnitude of the problem this legislation is aimed at meeting. The figures and findings I mention below are from "The Border Crossers" a splendid study by the Transcentury Corp. prepared for the Department of Labor in 1970 by Mr. David North—who is a recognized expert on questions of immigration impact on the labor market.

According to North's study—which was limited to the Mexican border—something like a third of the total border crossing labor force in the border counties is composed of illegals.

Most border crossers, the illegal and the legal, according to North, do unskilled work, with the largest single occupation being farm work. This is particularly true, North finds, for the illegals.

Says Mr. North:

The predominance of the evidence suggests that the border crossers have, in fact:

A. Taken jobs which otherwise would be filled by residents of the United States.

B. Depressed wages by their presence in already loose labor markets.

C. Tended to reduce the likelihood of union organization.

D. Tended to encourage border county residents to seek work elsewhere in the Nation as agricultural migrants.

Mr. Chairman, in my capacity as chairman of the Subcommittee on Farm Labor, I know something about the fearful conditions which confront migrant agricultural workers. As informed citizens, I think we all know something of those conditions. And the effort to alleviate those conditions is a bipartisan one. The Labor Department, for example, has announced a multimillion dollar program to help move agricultural migrants out of migrancy into a way of work and life that is less characterized by grinding poverty, instability, and powerlessness.

If this is the case, Mr. Chairman, how long can we continue to condone a situation which actually encourages people to become migrants? How bad must the presence of border crossers, especially illegal border crossers, make things if residents actually choose to go into migrancy as an alternative?

David North's report, after showing that wage levels, unemployment levels, and the absence of effective benefits from other labor protective legislation, decreases almost in direct ratio to the distance you come north of the border, makes the following understatement:

It is our belief that the influx of close to 100,000 border crossers into the border counties and the departure of some 100,000 farm workers and their dependents from these same counties must have a relationship to each other.

North's study, of course, is 2 years old. The figures he used mostly dated to 1967, when unemployment rates, along the border and elsewhere, were lower than they are now. But the generalizations he draws from his careful study will stand up today. There are a great number—inherently, of course, an unknown number, of illegal aliens working within our borders. They are taking jobs away from others who have a better right to those jobs because they are here legally. The illegals are depressing wages and working conditions for the legal residents—and the illegals are not themselves really benefiting from these practices. The only real beneficiary—the one figure in this whole sordid story who has everything to gain and nothing to lose is the unscrupulous employer who knowingly employs the illegal alien—not out of compassion, not out of some sense that the alien should get a better break—but because he can use the illegal alien without any risk to himself and laugh at the laws so painfully put on the books to protect working men and women.

Section 214 of H.R. 7130, Mr. Chairman, would not put an end to this business—how I wish it would. All it will do, and it is little enough under the circumstances—is to make that unscrupulous employer share some of the risk which his employees and the legal resident workers who are vying with them for jobs, must now share among themselves.

I urge the approval of the section and of the bill of which it is a part.

Mr. ERLENBORN. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, there are many elements in H.R. 7130, the Fair Labor Standards Amendments of 1971. Each is important. Nevertheless, I believe that dangers inherent in title III of the bill are so important as to overshadow all of the other elements of the bill.

Title III gives enormous power to the President to control imports through quotas or other means. Perhaps the authority is sufficiently hazy so it will not work, but, nevertheless, title III establishes an intent of Congress that I believe this Congress strongly opposes. By including the import quotas and the buy American features into the minimum wage bill, the committee has guaranteed my opposition to the bill.

I strongly support the Erlenborn substitute for the principal reason that it eliminates title III from the bill. I realize that there will be other attempts to eliminate title III. I am not persuaded that those attempts will be successful, and therefore feel that it is essential to vote for the Erlenborn substitute.

For over a decade it has been clear that the United States no longer dominates international trade. In order for U.S. goods and services to compete effectively in foreign markets, we must be able to compete in as free an international trading environment as possible. Establishment of quotas by ourselves will invariably bring a raising of barriers in those areas which are our principal markets. By passing title III we can only contribute to our own disadvantage and eventual destruction.

The Treasury Department, Secretary Connally, the Department of State, and the White House through its special trade representatives and trade negotiators have been doing effective work in trying to put our dollars in equilibrium and to negotiate the reduction or removal of other trade barriers abroad. The passage of title III would be absolutely devastating to our efforts to improve our balance of trade.

Our negotiators have succeeded in getting agreement on the reduction of the value of the dollar and in allowing other currencies like the yen and the mark to rise in greater proportion than our direct devaluation of the dollar. Our trading partners have understood the difficulty of our position.

In addition to agreeing to devaluation, both the Europeans and the Japanese have agreed to certain reduction of barriers already. Further, we are preparing for continued negotiations in the 1973 rounds at GATT. While little progress has been made to the north in Canada, a considerable amount of improvement has been made in the European Common Market Community and in the Far East.

All of this would be destroyed by title III. Even though title III is couched in restrained terms which simply sound like an offer of job security to certain employee groups, the real effect of the legislation would not be restrained. Its effects would be inflammatory and the reaction to it would be swift.

Title III takes a meat ax approach toward the problem of protecting jobs. Because it does not consider the whole picture, it is surely discriminatory. Pri-

marily, it discriminates against the farmer who must have foreign markets to prosper. In my own State, agriculture is by far the largest industry. Imposition of quotas could be far worse than an industrial recession or even a drought in Minnesota.

Nationally, one-quarter of every harvested acre in this country goes to export. Agriculture has been the bellwether of our foreign trade. This country could not stand for any reduction in agricultural markets abroad. Quite to the contrary, we must expand these markets. Export sales now amount to about 30 percent of cash receipts for all U.S. crops sold. Any protectionist effort by the Congress would severely harm the agricultural industry.

Another segment of our economy which would be immediately affected is that which relies on technology. In my district, we have a strong computer industry.

Sales overseas are important to the growth of these companies, who in the last 2 years have been adversely affected by defense and space cuts. We have enough unemployed engineers and technicians in my district. We do not need any more. Especially, we need no more caused by protectionism and retaliation thereto.

Title III has to be considered "back door" legislation. First, it does not have anything to do with minimum labor standards. Worse, the jurisdiction for foreign trade does not lie within the Education and Labor Committee. Title III has literally been stolen from the Ways and Means Committee which should have the experience and competence to handle this question. There are a sufficient number of bills pending before the Ways and Means Committee on this subject so that it is not necessary at all for the Education and Labor Committee to attach title III to the minimum wage bill.

The inexperience of Education and Labor to handle these problems is manifested in the general, vague and hazy language of title III. It is also manifested in the single-shot approach to the very difficult problem of providing job security to the employees of this country.

If we pass this bill including title III, the following will be the results:

First. U.S. international trade policy will be disrupted and reversed.

Second. Wasteful military procurement will be promoted.

Third. An international trade war will be started.

Fourth. GATT and other treaties and agreements will be violated.

Fifth. Consumers will pay higher prices.

Sixth. Inflation will be increased.

Seventh. Agricultural markets abroad will be threatened.

Eighth. Competition will be suppressed.

Ninth. Farmers will be discriminated against.

Tenth. Efficient industries will be discriminated against.

Eleventh. Inefficient industries will be protected.

Twelfth. Purchasing power (markets) abroad will be reduced.

Thirteenth. "Back door" protectionism will be established.

Fourteenth. The Ways and Means Committee jurisdiction will be usurped.

Fifteenth. On-going trade negotiations will be undercut.

Sixteenth. The benefits of devaluation will be negated.

Seventeenth. Unlimited quota power will be given to the executive.

Eighteenth. Total job opportunities in the United States will be reduced.

These defects, in my judgment, completely overshadow the advantages and the disadvantages of the minimum wage sections of the bill. I strongly support the Erlenborn amendment and any other amendment which includes the elimination of title III. This may be one of the most important votes of the 92d Congress. In the long run, our ability to compete in world markets will determine the general welfare of the people of this country. I urge my colleagues not to stifle our ability to compete through the passage of title III. Instead, I urge them to support the Erlenborn amendment and give this country a chance to restore its balance of trade and build new jobs through the development of greater exports.

Mr. ERLENBORN. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. VEYSEY).

Mr. VEYSEY. Mr. Chairman, I thank the gentleman from Illinois for yielding this time to me.

Mr. Chairman, I rise in support of the Erlenborn-Anderson substitute to the committee bill. I would like to just mention some general problems I see in H.R. 7130, the committee bill, and then explain the critical importance of the sugar exemption.

Even before 1966, when the last change in the minimum wage bill was enacted, an economic parasite called inflation was eating away the purchasing power of the dollar at an intolerable rate. That erosion persisted until President Nixon, against his normal inclinations, was forced to take drastic steps to slow it. The public overwhelmingly supports the President's lead on this issue, but it remains to be seen if we in Congress, having authorized the President to take such actions, will allow it to work.

There is no question but that the inflation of the last few years indicates a need to make an adjustment in the current minimum wage rates. But an immediate 25-percent increase as proposed by the committee bill cannot be justified at a time when it is touch and go as to whether or not the inflation in our economy can be restrained. There is no way to reconcile this increase with the painful but necessary 5.5-percent guidelines issued by the Wage Board.

The minimum wage is the base against which thousands of other jobs are pegged. When the minimum wage is raised for unskilled and semiskilled workers these other jobs will also be upgraded to retain a differential that recognizes the difference in skill and experience. The compounding effect of these wage increases will generate a flood of price increase requests big enough to sink the whole phase II program. It will be impossible to resist this pressure on prices.

Now there are plenty of people who for ideological and partisan reasons would not mind seeing the President's program fail and I am far from happy with a controlled economy myself. But Mr. Chairman, the present alternative is economic collapse and chaos. I cannot believe the difference between the minimum wage rates proposed by the committee bill and those offered by the Erlenborn-Anderson substitute justify this risk.

But aside from the actual wage rates proposed in the committee bill there are serious problems with the structure and coverage of H.R. 7130.

I am concerned, for example, over the lack of an effective differential for young people. As I said in my additional views in the committee report, young people everywhere need above all else to relate to the real world of work. They need the opportunity to develop self-reliance and job skills. An effective youth differential can provide this opportunity—but the committee bill only continues the present intentionally self-defeating approach..

By limiting the differential to students, H.R. 7130 discriminates against young people who cannot afford to go to school and who obviously need the job more than the student who has a galaxy of Federal assistance programs available to him.

This discrimination is compounded by the prohibition against public employment agencies referring job seekers to jobs paying less than the minimum wage. If we are serious about helping young people enter the job market the substitute offered by Mr. ERLENBORN is essential.

A second specific problem I see in the committee bill is the extension to nursing home employees. This provision alone will substantially increase the monthly cost for several thousands of my constituents who live in these homes. Of all the classes of people who can ill afford to pay more, nursing home residents and their families are probably at the top of the list.

But Mr. Chairman, the provision of this act which I specifically want to bring to the attention of my colleagues is the repeal of the exemption for sugar workers.

Sugar is a basic and indispensable commodity. It is essential to the preparation of almost every food product we eat. The price of sugar has been carefully kept at very reasonable levels under the general regulations of the Sugar Act. We should know what we are doing before we raise the price of sugar since raising the price of this basic ingredient will lead to disproportionately higher food prices for consumers everywhere.

The committee bill proposes to raise the price of sugar by requiring the payment of overtime during the harvest. On its face this sounds reasonable enough. The idea behind overtime after all is to provide an incentive to spread work out to more people and to prevent fewer people from working longer.

But when there is no way to avoid having to do a huge job in an extremely

short period of time this incentive becomes a severe and unfair penalty.

Both sugar beets and sugarcane are extremely sensitive to changes in the weather. Too much heat, a storm, a rain or a frost stops their growth or the harvest and the plants then consume their own sugar. In the event of unseasonable weather thousands of acres of beets or cane may have to be harvested literally overnight. The same thing happens during normal harvesting. Once the plant is cut it deteriorates rapidly and must be processed immediately.

There is no possible way to avoid around-the-clock harvesting and processing of this crop. Forcing the payment of overtime would more than double the cost of the harvest and raise the price of everything we eat. The exemption for sugar harvesting and processing, which is present law and retained in the Erlenborn substitute, is appropriate and necessary. It affects a declining number of workers at the present time but its revocation would raise the cost of living for every one of our constituents.

Mr. Chairman, this question is vital to the sugar industries in California, Hawaii, Colorado, Louisiana, Florida, Texas, North and South Dakota, Utah, Idaho, Wyoming, Michigan, Minnesota, New York and Oklahoma. I ask my colleagues to support the Erlenborn substitute which would retain the exemption.

Mr. DENT. Mr. Chairman, I yield 5 minutes to the gentleman from Allegheny County.

Mr. GAYDOS. Mr. Chairman, I wish to thank my friend and colleague and the chairman of the committee for yielding me this time to enable me to make some observations.

We have had three of our colleagues, and all three are members of this subcommittee, come down into the well and raise all kinds of questions regarding title III. I have heard references to retaliation from foreign countries. I am assuming they are speaking of West Germany, Luxembourg, France, Italy, and the group of countries which form the Common Market. I am assuming they also include Japan.

Those of us who have kept a very sharp eye on trade problems as they affect our individual districts and our country generally will try to go into some of the history.

We feel that title III is important and should be in the bill. The question was raised whether it should be rightfully before the Committee on Ways and Means. That is fine. There is legislation before that committee, but they are doing nothing about it. The question is do we have jurisdiction? Yes, we do. Proof of this is found in the Trade Expansion Agreement in 1962, better known as the Kennedy Trade Expansion Act, which has been fully implemented recently, in the last month, and which has another 6 months before it can be fully concluded, with arrangements made during negotiations in what they now refer to as GATT—Congress gave authorization by legislation to the administration to carry on these negotiations. Unquestionably and fundamentally the right remains here in the Congress to do exactly what my good friend from Pennsylvania wants to do under title III.

Anybody who has studied the world trade situation knows that since the beginning of man every major conflict was fought because of trade. That was the underlying factor. Economic trade. In fact, when we first established our country, during the revolution, an important factor that brought that on was the problem of trade between the States, and internationally.

We cannot wait for an indefinite period of time until some committee in this House takes action in this very vital area.

Mr. Chairman, I do not want to spend my time going into detail on the voluntary arrangement which the State Department recently announced. I do not want to talk about the last 3 years of the voluntary arrangement, which did not work and as a result of which we had lost many industries.

In my district we have the Westinghouse Electric Co. which makes water wheel generators. They have been sold to Italy and have had a market there for years. As recently as 3 months ago the product that they manufacture was excluded by the Government of Italy through a new device used to get around the GATT agreement. We call these nontariff barriers, and the device is called an equalization tax.

I want to ask my friend from Pennsylvania whether or not under title III as it appears in the bill, we would not be doing the same thing that Italy, West Germany and France do today under the guise of an equalization tax which, as I understand it, is a tax imposed by these governments, regardless of the agreement which is in effect—GATT. That when they put it into effect it is tantamount to placing an additional retail cost onto a generator manufactured in this country. This is done primarily and specifically for the purpose of bringing the retail cost of that generator up to equal the cost for a like generator which is manufactured in Italy.

I would like to ask the gentleman if he would explain the differential or the similiarity between what he is trying to do in title III and what these countries are doing under the guise of nontariff barriers.

Mr. DENT. In response to the question of the gentleman from Pennsylvania, I must say that all of us who are left here already have our mind made up.

However, I want to make a statement to you and you think about it for a minute.

There is not a single trading partner of the United States anywhere in the world, that allows a single American product to be landed and sold in the bloodstream of their commerce at a price less than the parity cost and selling price of their own product.

We on the other hand sell agricultural products or export them at a cost of $4 billion in subsidy which is paid by the American people——

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

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

The CHAIRMAN. The gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 5 additional minutes.

Mr. DENT. This is done at a parity of the world parity production cost and yet we must sell our products in foreign countries. Our manufactured products at their local parity cost anywhere this Nation prices the products at our parity of cost and our production, in the agricultural field are paid for at a parity between 85 percent and 95 percent the closing down of American industry and agriculture will continue and because of this equalization tax—and there are other taxes under the so-called barriers—there are barrier taxes plus the fact that they have all kinds of equalization taxes as well as over-the-border taxes.

Now, let me read you a statement, not made by me, but made by the executive vice president of the First National Bank of Chicago in his speech and presentation on the international competitiveness of U.S. banks and the U.S. economy.

This to me is the most astounding and frankest admission of anyone in such a powerful and knowledgeable position to make in this day and age in the face of the attitude of this Government, and I quote:

> However, there is strong evidence to suggest that the United States is going out of the manufacturing business; and if we abdicate the manufacturing function, we will also lose the related skills of design and technology.
>
> As our relative position in manufacturing erodes, so will our position in services, because many service industries are directly dependent upon a broadly based manufacturing economy.

This suggestion which seeks to take care of it, speaking through the thinking of an international bank is that we should bring in the know-how and we would have to have a reverse flow of technology and marketing and know-how to the United States.

He goes on to say:

> Our marketing is no better—and sometimes worse—than our competition's. As our relative position in manufacturing erodes, so will our position in services, because many service industries are directly dependent upon a broadly based manufacturing economy. Many customers tell us that the United States is not presently a good place to invest in manufacturing; and if the choice is either to make a product or buy the product, the decision will almost always be to buy.

Industry will always buy that product if it is more profitable. That is exactly the reverse and opposite to the attitude of every other nation on the face of the earth. You talk about retaliation, the only products they buy are the products they need. They do not buy any that they do not need. They do not allow their people to buy automobiles that cost less than what they can make them for in their country. I am telling you that whatever this House does, no one can change it. I know of the pressures from those who are producing goods under trade agreements that are so well established in the United States of selling those products back in the United States at the same price as they are selling their own American domestic-made products. I am telling

all of you that I was in France when De Gaulle put the embargo on the American chickens. When he did that was he interested in the consumers who were paying 80 cents a pound for those chickens? No, he was not. And what did he do? He put an embargo on those American chickens that were being sold to the French people for 19 cents a pound. Was he worried about destroying the French or whether his consumers would be able to get a Hong Kong necktie, or a Hong Kong shirt made by 6-cent-an-hour labor? Not at all. He was worried about the strength of the French franc. And so long as you allow these things to cut away at our products, we are in danger. We are trying to restore this country, but we cannot do so so long as we continue to destroy the American dollar, and the American machines.

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

Mr. DENT. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I thank the gentleman for yielding me this additional time, and I wish to commend the chairman of the subcommittee for his very fine in-depth and complete comprehension and understanding of the trade problem.

Let me just refresh our colleagues' memories regarding the recent balance of payments deficit of last year, which happens to be on the minus side of $2 billion. Since 1965 and on, we had a surplus of $7 billion, and we are now as of last year $2 billion on the minus side. We have switched around, and changed our balance of payments, by a total of $9 billion.

Now, if that does not excite somebody, or this body, then I do not know what is necessary in order that we can jar some action on this serious problem. Someone asked why we did not let the Committee on Ways and Means handle this matter. We cannot wait that long. We cannot wait if the Committee on Ways and Means is going to be subjected to all the pressures that come from the international and multinational corporations, that come from different business people, that come from franchises, that come from the importers, that come from 200 or more of the 1,000 leading corporations who have over 50 percent of their investment assets overseas. And these are the source of a lot of pressure. If we are going to wait we are going to be in a most difficult trade situation.

I do want to reiterate that the voluntary arrangement which has recently been announced by the State Department leaves much to be desired. It leaves economic areas that are unaided such as geographical distribution of products, and in addition they should make some reference to the fact that our speciality steels should have extra consideration in this agreement. We were burned last year, in fact, the past 3 years. The import quotas for last year provided under the voluntary arrangement for about 16 million tons, plus. Last year we imported 18.3 million tons of steel.

The State Department is now using these voluntary arrangements which are not bilateral agreements in other trade problems. They are just letters of intent, not binding, no sanctions, no penalties. They are using it in the textile industry, and as I understand they are looking at the possibility of using this type of voluntary restraint arrangement in the heavily penetrated electronics industry.

I can go down a list of literally thousands and thousands of industrial activity in this country that are already functioning at 50 percent less than they did over the last 5 years.

We do not manufacture Christmas tree bulbs. That may seem to be very unimportant, but it is indicative again that we are in trouble when we cannot buy that which is so meaningful to our people.

You can go into other areas, for instance, costume jewelry—costume jewelry is not manufactured in this country. You can talk about light bulbs, recording machines, typewriters, calculators, and everything imaginable.

This is the problem referred to by the Secretary of the Treasury Connally who said it directly during the recent dollar devaluation—this country is in trouble. He said it. So has the administration. President Nixon in his announcement on the recent voluntary steel arrangement said finally—this is the answer and we are going to help "preserve jobs."

All the while, while we are talking about this problem—the administration and the Secretary of Commerce and the State Department tell us it is not a big problem. They tell us—you do not want to set off a trade war or trade retaliation where nobody gains.

Gentlemen, I think my chairman agrees with me—we must try to keep attuned to these particular problems, because it is affecting his glass industry and my steel industry where we make practically 35 percent of all the steel in the country.

I do know this. We already are in a war and I think we have lost most of the battles. I hope we do not lose the war.

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

Mr. GAYDOS. I yield to the gentleman.

Mr. DENT. Last week the President of the United States ordered to open up a reduction of the glass tariff, a reduction under the previously agreed GATT agreement.

At the same time that was done, I learned of an agreement negotiated by the State Department, the United States with Russia. You have a whole list of products that are going to be imported from Russia to pay for the $3,200,000,000 worth of production machinery to be sent to Russia, financed by the United States, and to be repaid by Russian products from those plants, plate glass made by the latest development in the float process and glass from this most modern process into the United States at a cost far below our ability to achieve. This is the end of the already weakened glass industry.

There will not be a glass industry in this Nation in 5 years.

Mr. GAYDOS. I thank the gentleman.

I want to close with these two observations.

First. Nobody advocates a closed door policy that is not consistent with international trade. Nobody is advocating that. We are asking for fair trade.

Second. Take a look at this section—title III. I think here are the mechanics of doing something. You cannot sit doing nothing. Here is an opportunity of doing something that other countries are already doing.

This equalization tax is a good example. They are doing what title III purports can be done by this Congress, if we want to take action in a very vital area.

We are not asking for anything other than this.

For our free traders, and we have many in that group—this is not an anti-free trade legislation at all. This is fair trade legislation that is badly needed.

I hope at least we leave some impression with some of our colleagues that this is a serious problem as indicated by our present trade deficit and by the administration's admissions. A start must be made somewhere along that line. Here is a good place to start.

Mr. ERLENBORN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I want to address myself especially, very briefly, to the agricultural aspects of this legislation. As a farm producer and as a farmer, I am tremendously concerned. This is my first major contact with minimum wage legislation at the Federal level. I am very disappointed that there is a distinction between payment to farm labor and to other types of labor. If that is an implication, which I think it is, that countryside labor is being treated less favorably than other segments of our economy, then I am even more dismayed.

I prepared an amendment to this legislation to firm up farm supports so that we could pay the same minimum wage as every other group. As a farmer, I do not want to pay less to people than is paid to others. I want to be able to pay the same amount.

I would like to ask the gentleman from Pennsylvania (Mr. DENT) what is the background of a discrimination against farm labor in this minimum wage legislation?

Mr. DENT. I will say to my dear friend that I agree with every word he has said. Up to 1966, the last piece of legislation I put through, it was impossible to cover farm products in any sense. When this later bill was introduced, H.R. 7130, with section 102, when we introduced that piece of legislation I made the minimum wage in the bill equal to the industrial minimum wage. A substitute by a well-known Republican who is famous for substitutes changed that.

Mr. ZWACH. I wish to come to grips later in this Congress with fair supports for the economy of countryside America, and at that time I would gladly sponsor legislation to make the pay to farm workers equal to that. We want fair income. We also want to pay fair wages. We want America to be equal across the board.

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

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

Mr. DENT. You will find me right with you in your fight. I want you to know that my district is about 40 percent rural and they are men just like you. They do not want any favors. They want to pay their workers and they want to participate in the economy. They want exactly what others in this country require—a decent parity price for their product.

Mr. ZWACH. I thank the gentleman. Mr. Chairman, I would like briefly to address myself to title III of the bill. I would like to say very frankly and very sincerely that it is not as simple as just sloughing off title III from this bill and everything will be rosy in America. People talk about agriculture needing an elimination of title III. I want to say right here that in the world economic market Japan has high tariff walls against U.S. agriculture. In the economic market of Europe—and this is almost unbelievable—the tariff, if you please, against feed grains is 130 percent ad valorem. Think of that. One hundred and thirty percent ad valorem. Talk about us erecting some barriers. There they really have barriers. Support for corn in the European market to the producer is in the area of $2.40 a bushel. So the barrier levied against corn is $1.20 a bushel.

Mr. Chairman, our Nation's agriculture would feed the world if we had so-called free trade. We are that fiercely competitive, productive and economic. So the question is not merely one of the elimination of title III.

I would like to say to this committee very seriously that if the 1970's go with regard to world trade the way the 1960's went, we are not going to have any great 1980's and 1990's. We are not going to have a great future, and the problem that the gentleman from Pennsylvania raises is a very serious problem. It needs full and careful discussion. Thankfully, for the first time, agriculturally, in a long time agriculture is on the front burner with regard to world relations and world trade, and that is because of our bad balance of trade. We are the one hope that could shortly help to alleviate some of that situation.

But it is a serious matter. We cannot sweep it under the rug. We have to come to grips with it. Labor, employers, coupon clippers, the general public of America have got to come to grips with this problem if we are going to go forward to a great future for our country.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise today in strong support of H.R. 7130, the Fair Labor Standards Amendments. I believe that one word in the title of this bill should be occupying a foremost position in our thoughts—the word "fair." We must not forget that we are dealing not only with figures but also with people—people who are faced with a continuing struggle for sustenance. The decision is one we cannot make dispassionately.

H.R. 7130 would increase the minimum wage from $1.60 to $2. for nonagricultural workers, and from $1.30 to $1.70 for agricultural employees, by January 1, 1973. The bill would also extend the coverage of the Fair Labor Standards Act to several previously neglected groups of workers. In addition, the bill would provide special incentives to employers to hire full-time students as part-time workers.

There are those who argue that a jump from $1.60 to $2 per hour comprises a raise of 25 percent, far above the Pay Board's recommendation of 5.5 percent. Therefore, the argument continues, the measure is vastly inflationary. I fail to see the logic of this position. First of all, the Pay Board has ruled that wages beneath $1.90 per hour will not be considered by the Board. The reason for this is because those wages are low enough that even a sizable increase would not be considered inflationary. Therefore, if we use $1.90 as our base figure, and then raise those wages to $2 we have a raise of less than 5.3 percent. I do not see how this percentage can be considered inflationary even to the Pay Board. Secondly, this wage increase is designed to compensate for the relative loss in buying power due to the inflationary spiral. The people who will benefit from the wage increase will still have a very low standard of living. The increase in buying power that will result will not produce appreciable further inflation.

The special provisions for full-time students are also worthy of our support. The committee bill would allow fulltime students to work for not more than 20 hours a week for 85 percent of the effective minimum wage or $1.60—$1.30 for agricultural workers—whichever is greater. This provision was not designed to be used to advantage by unscrupulous employers who could dismiss regular, higher paid employees in favor of cheaper, student labor. The substitute bill, on the other hand, provides for a lower wage for all youth, so long as the lower paid youths do not replace or cause the dismissal of other workers. I fail to see the logic behind this substitute suggestion. The proponents of this provision argue that this would increase employment for youths who have been hard hit by the present recession. To them I can only suggest that if they really were in favor of reducing unemployment among our youth they should support the several job-creating measures now pending before Congress. A lower pay rate for all youth will not appreciably lessen unemployment among that age group.

I believe that H.R. 7130 is a fine example of productive, well thought-out legislation. My colleagues on the House Education and Labor Committee, especially Hon. CARL PERKINS and Hon. JOHN DENT, deserve our congratulations and support.

Mr. CLAY. Mr. Chairman, the need to increase the minimum wage and provide this coverage to some 16 million additional people is a matter of urgency.

The present minimum wage of $1.60 an hour passed by Congress in 1966 is no longer adequate. A worker earning $1.60 an hour receives an annual salary of $3,200 which is far below the Government's poverty level. An increase to $2 an hour would only bring this working class group to the 1970 poverty level. How can any Member of this body deny people the minimum standard by which they can survive. Nearly two-thirds of the 24 million poor in this country are members of families headed by a worker in the labor force.

Suggestions that this bill is inflationary are groundless. Minimum wage earners do not create or contribute to inflation—instead, they are its principal victims.

One of these groups among the victims is the domestic household workers. We, in this House, have the opportunity to extend the minimum wage coverage to domestics and to correct the intolerable conditions under which they are forced to live.

The overall picture of the domestic household worker is a dismal one. Domestic employment has declined from 2.5 to 1.5 million in the last decade while the need for household workers has more than doubled. With low wages and long hours there is no incentive for persons to seek domestic work.

The statistics reveal the median annual income for a full-time domestic worker is $1,800 per year. In 1969, 81 percent of all these workers earned incomes amounting to less than $2,000 and 57 percent earned less than $1,000 after even all forms of social insurance and public assistance payments had been included. It is amazing that those on welfare under the administration's proposed meager reform plan would fare better than the domestic workers.

Poverty is not the only problem facing the American domestic worker. The majority of these workers rarely receive any fringe benefits, such as paid vacations, sick leave, and health insurance. These benefits are taken for granted by all others in this country's labor force. In many cases, an employer may not only refuse or neglect to deduct social security from the worker's paycheck, but may fail also to contribute the employer's share as required. If this matter were left to the States to correct nothing would be done—for only three States have taken steps to bring household workers under their minimum wage laws.

Two-thirds of all these workers are black and many of the remaining third are from other minority groups. Although passage of this single bill will not change the attitudes of an entire Nation toward domestic workers—it will be a first step in saving this occupation and bringing dignity back to those in it.

I urge my colleagues who have the power to effect such a change to vote for an increase in the minimum wage, and an extension of the minimum wage coverage to domestic household workers as well as the other millions of workers who have been excluded from protection of this law. I also urge my colleagues to reject all of the attempts which seek to undermine and weaken the intent of this bill.

Mr. BRASCO. Mr. Chairman, we are once again faced with the necessity of insuring that millions of American workers receive wage justice. The Fair Labor Standards amendments we are considering have been brought to the floor by the Education and Labor Committee in response to a very real need.

Many American workers are being hurt economically by a variety of economic

factors prevailing in the economy. For one, the freeze on wages has hurt many of the people who must labor for minimal wages. Prices have risen astronomically, while their wages have remained either frozen or fixed by other factors in the economy. As a result, very real hardships have been worked on them, and it is vital that we insure that there is some relief offered by raising the minimum wage. This it is in our power to do, and by supporting the committee measure we can do exactly that.

Many groups of American workers have been harmed by imports of cheap goods made by even cheaper labor abroad. It is a very real fact of life in this country that practically every industrial district in the Nation contains some industry or another which has sustained severe economic damage because of this state of affairs. Title III of this measure is designed to redress that imbalance for affected workers by government assistance.

It is also true that the lower paid worker in this country, harmed most by the freeze and fixed minimum wage, is the most silent and the one who suffers the most. If the American middle class has been hurt so badly, as we have been given ample evidence of in recent months, the impact upon the lower income worker who often toils for the minimum, is far worse. He has no choice of steak or hamburger. For him and his family, it is often a question of eating or not. Such a state of affairs a nation such as ours cannot tolerate. Stable, middle-class workers in almost every State of the Union have watched helplessly as foreign imports have devastated their industries. Many a closed factory across this country is mute evidence of their eventual fate, and the number grows constantly. Untrammeled free trade is a costly indulgence, in spite of the arguments of many academics.

The economic necessities confronting us and millions of American workers require affirmative action on this measure raising the minimum wage.

Mr. COTTER. Mr. Chairman, I believe the debate on H.R. 7130 today indicates some very basic differences in approach to our Nation's economic problems. Many Members argue that the minimum wage increase should be spread over a number of years; others argue that it should not be increased at all. I believe that this aspect has an unreal quality about it. The $2 minimum wage would give the head of a family the grand total of $4,160 per year.

This yearly total means that working men or women, receiving a $2 minimum wage, will be at or below the poverty level. Take my own district. In a recent study by the Bureau of Labor Statistics, the Hartford area was the third most expensive area in the Northeast. The annual low income budget for a family of four was $7,920. The middle income budget was $12,027. This is what it costs to live. How do these figures compare to the $2 minimum which gives the worker $4,160, before the deduction of taxes and social security. Not very well.

Further, it is estimated that, for an average family of four on welfare, payments in Connecticut would amount to $4,068 per year, excluding free medical coverage. It can be seen from this figure that even with this minimum wage a person could get more on welfare. What this suggests is that the minimum wage has not kept pace with the cost of living.

This modest increase in the minimum wage, only up 15 cents from the Connecticut State minimum wage of $1.85, is not unreasonable.

I am sensitive to the issue that an increase in the minimum wage will create more unemployment. I feel the preceeding figures indicate that working men and women in my district cannot sustain themselves with any less. Indeed, in talking with many constituents, I find very few who are receiving less than the proposed new $2 minimum wage.

Therefore, Mr. Chairman, I will support this provision to increase the minimum wage and extend coverage, and I will oppose all efforts to modify the sections dealing with minimum wage.

I have more serious reservations about title III of the bill. Title II provides extraordinary power to the President to impose quotas and tariffs. The President is to go this drastic route when the Secretary of Labor discovers some adverse effects on U.S. markets by foreign products. The criteria are very vague, but the latitude given the President is very great. This is a very grave weakness.

The problem of overseas competition is a very complex and serious problem. In my own district we have had examples of companies moving overseas to get into cheap labor markets. The social concern of such companies is dulled by their all-consuming passion for profits. Workers who have labored for years are shunted aside by these companies.

On the other hand, our county of Hartford is the 13th leading county in the amount of U.S. exports. This means that there are thousands of jobs tied to overseas trade in my district. I am fearful that the imprecise allocation of authority under title III will lead to a trade war that will not end the flight of U.S. jobs overseas, but will create havoc with the work force tide to our export industries.

Therefore, I will oppose title III. Overseas trade deserves independent and careful analysis and should not be tied to this bill. I believe my own approach to the problem of overseas competition, embodied in the Cotter Job Protection bill, offers a more realistic and effective means to end unfair international trade.

Basically, my bill calls for a repeal of the U.S. tax loopholes which encourage corporations to move overseas. One current tax provision requires taxation of overseas investment only after such investment is returned to the United States. This encourages American businesses to keep their money and jobs overseas. I believe this should be repealed. Further, the unnecessary tax credit for overseas taxes should be removed and the overly generous depreciation allowance for foreign assets be rewritten to discourage exporting U.S. jobs.

A key feature in my bill is to prevent unfair trade practices. At the point, I agree with the objective, but not the method of title III. I believe that "dumping of goods," that is selling in the United States at lower prices than are available in the country of origin, is unfair and should be stopped immediately. My proposal does not place the burden on the Secretary of Labor, who already has too many duties, but revitalizes the Tariff Commission and requires complete and forceful action within 4 months when there is a violation of the Anti-Dumping Act. Further, the definition of "injury" to be applied by the revitalized Tariff Commission would include consideration of the impact on employment and working conditions.

The language of title III is vague and I can conceive that it will lead to a trade war that will cost U.S. jobs and also tremendously increase the cost of goods for consumers. However, I believe the Congress should give consideration to legislation to end tax loopholes for U.S. businesses moving overseas and the Tariff Commission should be upgraded to enforce sanctions against nations using unfair trade practices.

In conclusion, I will support H.R. 7130, but will not vote for title III.

Mr. LLOYD. Mr. Chairman, you cannot solve the problem of inadequate income by passing a law, anymore than you can change the weather by passing legislation to prohibit the wind. This legislation is politically motivated. There is nothing wrong with such a motive, of course, inasmuch as it is our responsibility to reflect the views of our constituency, but it has about as much chance of reaching a worthy objective as the hound chasing the rabbit at the dog races.

The committee bill is shamelessly inflationary and will be reflected through increased costs in increased prices, harmful to all, and especially harmful to those living on low income.

By not making reasonable student exemptions, the committee bill is unrealistic. With student exemptions as proposed in the Erlenborn-Quie substitute and in the Anderson stretchout, the harm resulting from the bill will be reduced, but not eliminated.

The best argument for the bill is that inasmuch as minimum wage legislation is the law of the land, it is only reasonable that the minimums reflect inflationary increases, just as we do in salaries, social security, and the rest. But since the minimum wage concept is unfair, harmful, and unrealistic in solving economic problems of our lower paid and unemployed citizens, I see no reason to bring the charade up to date.

One of the worst aspects of minimum wage legislation is that the burden falls disproportionally and unfairly upon those least able to pay. That is the smaller employer. The smaller employer is generally the nonunion employer. The large employer, the union labor employer, is aided, of course, because of the added burden upon his smaller competitor. If the smaller competitor finds it more difficult to exist and is forced nearer the point of extinction, then well and good for the larger employer who is already under the control of union wages, and well and good for the union too, because it expands the business of the union employer and thus the jurisdiction of the union. Thus is forged the involuntary marriage of the labor union and the

labor union employer which has all the force of a conspiracy backed by law to force the smaller employer to the wall.

As the burden upon the smaller employer gets heavier—for his forced increase in minimum wages must be reflected in similar increases throughout his entire labor force—the weaker becomes his ability to give employment to the youth who want to get started in work and the more difficult it becomes for the smaller employer to give extra part-time work to neighbors and townspeople. Thus, unemployment increases among employees of the smaller employers at the grassroots and must be made up by the large employer dealing with organized labor. Eventually, under the trend encouraged by this legislation, we will not have to have any minimum wage legislation because the only employers left will be the giant employers with the giant labor union who will not need the help of this kind of legislation any more to knock off their smaller, nonunion competitors.

Mr. BYRNE of Pennsylvania. Mr. Chairman, for more than a year the House Education and Labor Committee under the astute leadership of Chairman PERKINS and the subcommittee headed by my colleague from Pennsylvania, Mr. JOHN DENT, have labored hard to report a bill amending the Fair Labor Standards Act of 1938. It has been a long, rough journey for the subcommittee members and the full committee. But today we are happy to see that their efforts have produced a bill that deserves the support of every fairminded legislator who is concerned with both the welfare of his country and the millions of people who toil to make it the best possible place in which to live, work, and play.

H.R. 7130 now before us has been long overdue on this floor. It no doubt will provoke much debate both for and against, and this will be done with all good intentions by those who view the issue of minimum wages and labor standards from different perspectives. However, several factors must be emphasized in this debate—factors that can stand hard scrutiny by those opposed to all or some of the provisions of this bill.

The overriding argument supporting early passage of H.R. 7130 is the simple fact that it is an attempt to help poverty workers. Yes, it is an attempt to help those workers in Government, on farms, and in private industry who are paid wages at levels determined by our own Government to be inadequate to meet today's basic needs. It is an attempt to help these workers keep abreast of the rest of the economy.

Mr. Chairman, H.R. 7130 will do little more than raise the earnings of millions of workers to a level closer to the amount necessary to just maintain the standard of living for an average family of four prescribed by the last statutory amendments to the Fair Labor Standards Act in 1966. Let me emphasize that the increases proposed by this bill do not establish minimum subsistence levels for a family of four but merely narrow the gap between existing minimums and an adequate income level.

The $2-per-hour minimum proposed in H.R. 7130 for nonagricultural workers and the $1.70-per-hour minimum reached after 3 years for farmworkers employed by operators who meet the requirements of the bill are being criticized as proposals that will exert inflationary pressures on the economy.

Mr. Chairman, inflation and high unemployment have been with us for far to long, and without the impact of a minimum wage law. It should be obvious to us that forces are involved in inflation and unemployment that have little, if anything, to do with an increase in the minimum wage. Let us not foresake the millions of low-paid workers in the United States on the strength of a fallacious argument. The total wage bill for the increases in the minimums proposed in H.R. 7130, including raising the minimum and extending coverage for farmworkers who are just starting to be accepted as equals in the labor marketplaces of America, is just a tiny fraction of the existing wage fund.

From an economic point of view there is little argument to refute the contention that the increased purchasing power generated by the raise in the minimum wage for those now receiving less than the proposed minimums will far outweigh the alleged "inflationary" effects of a higher minimum wage.

Mr. Chairman, the problems of inflation and high unemployment are not going to be totally solved nor aggravated by this bill. However, its positive effects are too powerful to forgo. In addition, studies of the historical effects of past minimum wage laws on unemployment, be it for youths or adults, have consistently found that an increase in the minimum wage alone has not seriously aggravated unemployment.

Mr. Chairman, all the arguments against H.R. 7130 derive not from the effects of a higher minimum wage, but from the effects of a sluggish economy with a built-in high level of structural unemployment that has taken a serious toll in jobs and purchasing power among those least able to cope with imperfections in the labor market. A concerted effort on the part of all segments of our economy to put our country back on the track to full employment and reasonable price levels and a steady rate of growth will negate all the arguments against this bill. It is therefore nothing more than good logic to include H.R. 7130 among all the other efforts being made to move our economy out of its slump. By providing the great mass of workers at the lower end of the salary structure with a means to keep pace with the rest of the economy, the fight we are waging against poverty, against unemployment, and against deteriorating living standards for millions of presently excluded workers will be well on its way to victory. I call on my colleagues to act with a combination of compassion and good economic sense and vote for passage of H.R. 7130.

Mr. SMITH of Iowa. Mr. Chairman, the subject of appropriations for health matters has been mentioned.

As a member of the subcommittee which recomemnds these appropriations, I have had an opportunity to follow very closely the various health proposals, the recommendations of the administration for each of the programs and the appropriations process for the last several years.

It is true that at the present time there are more worthy applications available for basic research compared to the dollars that have been available to pay for them than was the case in many previous years. However, there is another matter in which I am particularly interested and that is the matter of adequate personnel for the delivery of health care. Basic research is important, but it is also important to have the people who can carry it forth. The greatest shortage of health care in this country is in the field of preventive health. It seems obvious to me that the only way we can make the substantial increases of availability of preventive health care that we need is to somehow reform the delivery system so that physicians can legally delegate to nurses and nurse practitioners and qualified health allied personnel some of the responsibility which will permit the physicians to oversee and deliver a big increase in health services. A more adequate supply of nurses happens, in my opinion, to be a key to better health care; but, the attention being given to the need for more qualified nurses in Federal legislation and appropriations in my judgment is not adequate.

In addition to the need for funds to expand nursing schools and financial aid for the students there is a problem of financing existing schools, many of which are financed through and add on to hospital bills. Hospitals which operate diploma schools usually add $2 or more per day to the cost of the room. Since some hospitals do not have these nursing schools, it is unfair to the patient that happens to choose those hospitals, because the nurses trained in those hospitals will also work in hospitals which do not support a diploma school. The financing for the education of other health personnel is not paid for in this manner and I do not think we should continue to expect such a burden on hospitals to finance the education of nurses. It seems to me that financial aid for the education of nurses is not only important, but also should be shifted to the same kind of financial programs that we have for other health personnel.

The budget proposal does not adequately consider the importance of these facts and I am going to do what I can to help change the situation.

Mr. FRASER. Mr. Chairman, I rise in support of the deletion of title III from H.R. 7130. Title III is not minimum wage legislation. It is foreign trade legislation with far-reaching implications for U.S. foreign relations.

Title III is a highly protectionist measure. It will, if passed, adversely affect U.S. relations with her trading partners. United States national security depends upon our good relations with some of these same nations.

Title III would inevitably lead—as its author clearly intends—to imposition of a whole range of import quotas on dozens of products. It would also certainly lead to retaliation against U.S. exports. This means that an estimated 2.7 million American jobs in export industries

would be affected. Many of them would be lost.

Reducing imports in this way would not improve our balance of payments or balance of trade. As we restrict imports, we would lose exports, and we and our trading partners would be dragged into a downward spiral of retaliation and counter-retaliation which would mean a trade war.

No one can predict where such a war would lead, but its effects would probably not be limited to economic damage. The close political ties and security alliances that bind us to our friends, and that in many cases are already strained, could very well be shattered in a trade war. This is hardly the way to achieve a stable and secure world.

Trade wars and shattered alliances are not the province of a minimum wage bill. We should not be determining U.S. foreign policy in this way and at this time. We should give ample opportunity in public hearings for close examination by expert witnesses of the effects of title III on America's foreign relations.

It would be unthinkable that this House would risk doing serious and perhaps lasting damage to U.S. relations abroad in such an offhand fashion. Mr. Chairman, our only responsible course of action is to eliminate title III or to refer it to the Committee on Ways and Means for further hearings.

Mr. BADILLO. Mr. Chairman, I am pleased to rise in support of H.R. 7130. This modest but long overdue measure will not only increase the minimum wage but will also extend the coverage of the Fair Labor Standards Act to some 6 million additional workers—4.9 million in Federal, State, and local government and 1.1 million household domestics. In addition it will provide a minimum salary level to our seriously underpaid agricultural employees.

More than 5 years have passed since the Fair Labor Standards Act was last amended. During this period we have witnessed rampant inflation and soaring taxes. The purchasing power of the dollar has been seriously reduced and raising the Federal minimum wage to even a basic level of $2 per hour is urgently required on the basis of simple economic facts. Government statistics reveal that, with the cost of living rising some 25 percent during this 5-year span, the $1.60 per hour minimum wage adopted in 1966 has been virtually destroyed and today's $1.60 minimum wage buys less than $1.25 bought in 1966. The present minimum wage fails to even approach the federally defined poverty level of a family of four of $3,944.

Frankly I doubt whether a $2 per hour minimum will be sufficient. A full-time worker earning this salary will be grossing just barely more than the poverty level but, taking into consideration deductions for taxes and social security, he again falls below this level. In the city of New York a family of four receive just about the same amount—approximately $3,700—on welfare.

The $1.60 minimum wage became effective in February 1968. It has been estimated that a minimum wage of $1.95 per hour would have been needed on January 1, 1972, merely to equal the purchasing power of the present minimum. In January 1973 a $2.03 per hour minimum has been calculated to be necessary to provide the same buying power of the February 1968 $1.60 minimum salary. Thus, the $2 minimum established by this measure will do little more than update the present minimum wage and it will unfortunately have little impact on millions of wage earners.

The Bureau of Labor Statistics has estimated that, for the New York City metropolitan area, the lowest budget for the cost of family consumption for a family of four is $6,104 per annum. To meet this very basic level would require an hourly salary of $2.95. However, the total budget for a family of four rises to $7,578 when you include social security contributions, income taxes, and similar additional payments.

It should be clear, therefore, that we must enact even this essentially inadequate figure of $2 an hour just to catch up with the rising cost of living and general inflationary spiral. We simply cannot afford to delay any further and I am hopeful that we will soon see another and more substantial increase in the minimum wage in order that millions of Americans can earn a decent and living salary and properly provide for their families.

Although I am pleased that the minimum wage floor for our hard-pressed and virtually ignored agricultural workers is to be raised to $1.50 in the first year and to $1.70 in the second, H.R. 7130 perpetuates the indefensible discrimination against these men, women, and children. I can see no justification for continuing to maintain this artificial gap between the agricultural and industrial minimum wages. At the currently maximum of $1.70 level, an agricultural worker, heading a family of four, will be receiving a salary substantially below the national poverty level. Unfortunately, this measure seriously shortchanges the farmworker and denies him the equal treatment to which he is entitled. As a member of the Agricultural Labor Subcommittee I am particularly distressed that this ill-conceived policy is being pursued, as our hearings over the past several months into issues affecting farmworkers and their families have revealed the many and varied problems which they are experiencing—the substandard housing, inadequate health care programs, lack of full and equal educational opportunities for their children, the borderline working conditions, and their frequent exploitation by certain unscrupulous employers. Our farmworkers—both stationary and migrant—deserve much better than what this legislation has to offer and I share the hope of my subcommittee chairman (Mr. O'HARA) that the farmworker will soon gain real parity and equality under the Fair Labor Standards Act.

One of the most commendable portions of H.R. 7130 is section 201, which permits the extension of minimum wage and overtime coverage to Federal, State, and local public employees. This action is long overdue and I am pleased that the Education and Labor Committee has given proper recognition to the thousands of men and women who are so important in delivering essential governmental services at all levels.

Opponents of this provision claim that the coverage of public employees will create severe hardships on State and local governments. I do not believe the facts support this charge. Labor Department statistics indicate that the nationwide increase in the weekly wage bill required by a $1.80 minimum would only be 0.33 percent. On a regional basis this figure breaks down as follows: In the Northeast the increase would be the same, 0.33 percent; in the South, 0.45 percent; in the North Central, 0.23 percent; and in the West a mere 0.11 percent. Governmental studies clearly demonstrate that the fiscal impact on State and local governments resulting from extension of minimum wage coverage to their employees would be insignificant at the $2 level and would, therefore, be obviously significantly less at the $1.80 level set under the first-year coverage period established by H.R. 7130.

Aside from the economic arguments for including public employees, there is also the important issue of simple justice. Public employees furnish essential services to the community and they deserve equal protection under the law. Furthermore, the wages of public employees vary greatly by region and FLSA coverage will help to equalize the disparities in earnings. The Congress now has the opportunity to end the present discrimination against public employees and section 201 deserves our fullest possible support.

During consideration of this legislation by the Education and Labor Committee last year a considerable degree of controversy arose over the manner in which workers in Puerto Rico were to be treated. Because of the importance of this issue 2 days of hearings were held in San Juan on May 7 and 8, 1971, to obtain firsthand information on the serious economic problems being experienced by the island and to secure as much data as possible on the affects of the inclusion of Puerto Rico under the minimum wage.

In the case of the hotels, motels, and related facilities, claims were made that there would be serious repercussions if the owners had to pay their workers the same wages as workers performing similar tasks on the mainland receive. However, the hotel owners' representatives never furnished us with proof that such economic problems would, in fact, occur.

Through the courtesy of the able subcommittee chairman (Mr. DENT) I participated in the hearings conducted on April 22, 1971. At that time I expressed my particular concern about statements involving the hotel industry. I inquired as to why the hotel rates in Puerto Rico are higher than they are even in New York when they do not pay the minimum wage and no taxes. I used as an example the Americana Hotel in New York City which is operated by the same management—Loew's Hotels, Inc.—as the Americana Hotel in San Juan. The New York City Americana has to pay Federal, State, and city taxes, all of

which are very high. In addition, it pays above the minimum wage. Nevertheless, there is no evidence that the room rates are any higher in New York than in Puerto Rico, in spite of the fact that the New York hotels have to bear the burden of these additional expenses. As a certified public accountant I was anxious to examine the hotels' financial statements in order to secure the facts and to ascertain that, if conditions were as bad as the hotel industry claimed, whether it was due to the question of labor. On at least three separate occasions I asked for such statements and at no time were they furnished. In one instance the hotel industry attempted to prove that room rates were lower in Puerto Rico than in New York City, but this data was based on summer rates. As I noted, we are not so naive here in Congress not to be aware that the peak tourist season is not during the summer. Thus, in the absence of any visible and substantive proof that some economic hardship will be worked on the hotel industry, there is simply no justification for not extending the same minimum wage to hotel, motel, and related workers in Puerto Rico as is received by the same type of employees on the mainland.

Section 104 provides for two 12.5-percent increases in the most recent wage order applicable to nonagricultural workers in Puerto Rico and two 16-percent increases in the most recent wage order applicable to Puerto Rican agricultural employees. Aside from providing for special industry committees to recommend minimum wage rates for newly covered employees, this section further provides that no wage rate for covered employees will be less than 60 percent of minimum wage rate applicable to counterpart employees on the mainland.

It is indeed tragic that a special exception must be made for Puerto Rico and that workers there are to be paid less than those on the mainland, even though they are performing the same type of work. Such a situation can only exist because of the serious economic problems besetting the island and the apparent lack of any meaningful initiatives to cope with them. I once again call upon both the Nixon and Ferré administrations to undertake a thorough investigation of the island's economic condition with a view toward developing a comprehensive economic development program which will insure that the standard of living of American citizens living in Puerto Rico can be comparable to that of American citizens living on the mainland. This program would spur the efforts currently being made by Fomento and would assist in actively working to promote the island's economic development and to close the current gap which exists between the labor force and the labor market, thereby curtailing the continued migration of Puerto Ricans to the mainland in search of employment. A dynamic economic development plan is essential if Puerto Rican workers are to receive fair and just treatment under minimum wage legislation and I again pledge to exert all possible efforts to assist the Commonwealth in developing and implementing such a program. The AFL–CIO executive council has recognized the present inequity and has urged that the same minimum wage protection for workers in Puerto Rico as on the mainland be afforded. It is imperative that we work toward this goal with all possible speed and dedication.

While I strongly support the passage of this essential legislation, H.R. 7130 contains two provisions which I find most objectionable and which should be deleted without hesitation. Title III of this bill, relating to imports, represents protectionism at its most extreme form. This ill-conceived provision threatens to precipitate a renewal of the trade wars we experienced during the 1920's, to isolate the United States from foreign markets, to work a serious hardship on the American worker, and to needlessly exacerbate already strained relations with a number of countries, particularly our trading partners in Latin America.

I want to make it clear that we should provide reasonable protection to our domestic labor force and appropriate aid to workers whose jobs and livelihoods are threatened by imports from low wage areas. However, the provisions of title III will not accomplish these goals and its many negative aspects far outweigh any attempts to afford protective treatment. Title III represents a drastic and negative modification of established U.S. international trade policies and seriously violates the spirit, intent, and very letter of GATT and a number of other international economic and trade agreements. It would also have serious domestic repercussions by denying to consumers the right of choice they now have in the open market and to bar many people, especially the poor, access to low cost imports. Statistics clearly demonstrate that there is more employment from exports rather than the loss of jobs from imports and, as the Labor Secretary has aptly noted, the net effect would be to reduce rather than increase employment opportunities in this country. This is an inflationary provision which represents an inefficient manner in which to protect industries and jobs.

The "Buy American" requirements of title III would virtually eliminate both National and State Government procurement from foreign sources, thereby reducing competition, permitting higher prices and squandering tax dollars.

Title III simply contains too many loopholes, grants the President unlimited power to restrict imports, establishes unwise precedents by the Congress, and is potentially damaging to the political and economic interests of the United States overseas. Our country just cannot afford to run the many risks inherent in this section, and I am hopeful that commonsense will prevail, and that we will expunge this regressive title.

Finally, section 214—pertaining to the employment of illegal aliens—will create a severe and unnecessary hardship for many people in New York and the whole Northeast area. Further, it will help to perpetuate discriminatory treatment against the Spanish-speaking and other minority groups, and will bar employment opportunities to large numbers of legitimate workers.

Our colleagues must realize, Mr. Chairman, that the problem of illegal alien employment not only applies to the use of Mexicans in the Southwest. The imposition of these provisions nationwide will create considerable hardship on Puerto Ricans, Cubans, and other Spanish-speaking as well as on Italians, Greeks, and other persons who either have some trace of an accent in their speech or may otherwise present the appearance of not being a citizen or resident alien. The section 214 requirement will become nothing more than a convenient excuse not to hire certain minority and ethnic group members. Also, as I have previously observed, the term "illegal alien" has become a code word for the Spanish-speaking and a good many innocent people in New York, New Jersey, Connecticut, and other east coast and Northeast locations will be victimized as they are already bearing the brunt of the campaign of half-truths and innuendos. Section 214 will simply serve to fan the flames of prejudices and misunderstanding, and will needlessly increase tensions in the Puerto Rican, Chicano, Cuban, Dominican, and Latin American communities. I am hopeful these discriminatory features will be deleted.

The Fair Labor Standards Amendments of 1971 are urgently needed, Mr. Chairman. With a few exceptions, to which I have already addressed myself, it is basically sound legislation which I am proud to have had some part in shaping. Not only must we extend minimum wage and overtime protection benefits to millions of workers not presently enjoying them, but we must recommit ourselves to the goal of improving the income, level of living, and general well-being of our lowest paid workers, in both the public and private sector. Much more must be done in terms of further extending the FLSA's coverage and in providing a meaningful, living wage to every American. However, H.R. 7130 is an important and vital step, and I urge our colleagues to resist any ill-conceived efforts to water down or otherwise weaken it in any form.

Mr. DANIELSON. Mr. Chairman, I rise to support the bill, H.R. 7130 to revise and amend our Federal minimum wage law.

The minimum wage under existing law, in most instances, is $1.60 per hour. If a person were to work 40 hours per week for a full year of 52 weeks, this would provide him with an annual gross income of $3,328. More realistically, if he were to take a few days off, or catch a cold, he would work 40 hours per week for 50 weeks and earn a gross income of $3,200. As we all know, there are deductions from gross income, for social security and unemployment insurance and the like, so that his take-home pay would be considerably less.

This means that the statutory minimum wage leaves a worker far below the official poverty level as set by the Federal Government. That level for a family of four, calculated at July 1970 prices, amounts to $3,951. The povery level is

not a good test of adequate income, however. Realizing this fact, the Bureau of Labor Statistics has developed a "lower living standard" instead. The BLS considers $6,960 a year to be the minimum income level needed to afford adequate food, clothing, and shelter to an urban family of four. An income of $3,200, produced by the present minimum wage, is $3,760 below the BLS "lower living standard."

I find it difficult to understand how anyone who knows these facts can oppose the present bill. The inadequacy of the present law is demonstrated, not only by the facts I have just stated, but by the additional fact that nearly two-thirds of the 25 million poor in America are members of families headed by an employed worker in the labor force. About one-quarter of the poor, and more than 30 percent of all children growing up in poverty, are in families headed by a full time, year around, worker whose wages are so low that his family is impoverished. These are appalling facts to consider at a time when there is so much talk about lifting people out of poverty.

We constantly hear the cry, "Let's take people off of welfare and put them to work." And I agree. But, Mr. Chairman, is it realistic to have people who need welfare while they are holding down full-time jobs? A person who works full time should earn a wage which would at least raise him to the "poverty level."

I realize that there are a few shameless economic malingerers who would rather be on welfare than holding down a job, but I am convinced that most Americans are not in that category. The least we can do, and this would be sound economic policy, is to have a minimum wage which will enable an American worker to earn more through his efforts than he would receive if drawing welfare for himself and his family.

The announced policy of our Fair Labor Standards Act, which includes the minimum wage law, is to eliminate labor conditions "detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers." To meet this policy the wages of the working poor must be raised. Even at $2 an hour, the original goal of the present bill, a full-time worker, who works 40 hours a week for 50 weeks a year would earn a gross wage of only $4,000 a year. Just above the 1970 poverty level and nearly $3,000 below the Labor Department "lower living standard" figure.

The suggestions that a minimum wage increase is inflationary and not in line with the Pay Board's general standard of 5.5 percent wage increases, are groundless. In passing the 1971 amendments to the Economic Stabilization Act of 1970, the Congress made a provision specifically exempting the working poor. Section 203(d) of the 1971 amendments explicitly states:

Notwithstanding any other provision of the title, this title shall be implemented in such a manner that wage increases to any individual whose earnings are substandard or who is amongst the working poor shall not be limited in any manner, until such time as his earnings are no longer substandard or he is no longer a member of the working poor.

Further, in the committee hearings on this bill, Dr. Richard Landry, Administrative Director of the Economic Analysis and Study Group of the U.S. Chamber of Commerce, testified, and it is reported at page 17 of the committee report, that—

We do not contend, unlike some of the witnesses that appeared before you apparently, that the minimum wage is inflationary. Quite the opposite. Inflation is not caused by minimum wages.

And, Mr. Chairman, that is patently true. Minimum wages and minimum earnings are not, they never have been, and they never will be inflationary. They are what is needed to keep body and soul together. They are mere subsistence. They are dedicated to the elementary needs of man for food, clothing, and shelter.

And, in closing, Mr. Chairman, while we are discussing minimum wages, subsistence, and 5.5 percent wage increase guidelines on the one hand, and inflation on the other, I would like to share with you an object lesson on these important subjects, a sort of obligato to the cries of fear of inflation and respect for 5.5 percent wage guidelines. In the magazine Business Week dated March 25, 1972, there appeared a story which shows how the top layer of our economic structure lives. In an understatement of the decade, the story was captioned, "Pay for Top Jobs Moves Up Briskly." Here is what they had to say:

PAY FOR TOP JOBS MOVES UP BRISKLY

Early returns on top executive pay for 1971 are paralleling the rise in corporate profits and show an impressive recovery from the recession days of 1970. A business week survey of 25 company proxy statements shows salaries moved up 9.7%, about three times the percentage a year earlier.

Total compensation, including bonuses and other incentive pay, moved up 7.5%. That increase, while significantly ahead of 1970's gain of 2%, still trails the rise in straight salary payments. The gap indicates that executives are still leaning toward straight cash rather than deferred pay arrangements, reflecting changes in the 1969 Tax Reform Act.

The picture may not be as bright for 1972 if top management follows the spirit of the Pay Board's 5.5% ceiling on wage and salary increases. And though the Pay Board's hold down was not in force when 1971 salaries were set, some executive bonuses may have been affected, since they are normally decided on at year end.

With fatter paychecks, most industrial chieftains easily stayed ahead of inflation. The Consumer Price Index rose only 4.3% from 1970 to 1971 in comparison with the nearly 10% rise in top-executive salaries. Faring much worse were the armies of white collar workers that the top men command. Over-all business and professional salaries increased by only 2.1%.

COMPENSATION

Leading the gainers in salary hikes was Avco Corp. President James R. Kerr, who moved from $120,000 in 1970 to $214,993 in 1971. Though Kerr was promoted to chief executive during the year, he still has to recoup financially from a pay cut in 1970. In 1969, when Avco was flying high, he drew $250,000 as its president.

A. Paul Fontaine, who retires on Apr. 1 as Bendix Corp. chairman, tallied a 40.1% salary boost last year. He rounded out his pay package with a $100,000 bonus, identical to the one he received in 1969. This skyrocketed his total 1971 compensation by 130% over 1970 because Bendix meted out no bonuses to its top four officers that year.

Executives whose pay did not change include Chrysler's Lynn A. Townsend and U.S. Steel's Edwin H. Gott. On the downside of the pay ledger was RCA Corp. Chairman Robert A. Sarnoff. His compensation dipped 26.7% when the $100,000 bonus he received in 1970 was not repeated in 1971.

Mr. ERLENBORN. Mr. Chairman, I have no further requests for time. I reserve the balance of my time.

Mr. DENT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read by titles the amendment in the nature of a substitute recommended by the Committee now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

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

SHORT TITLE; REFERENCES TO ACT

SECTION 1. (a) This Act may be cited as the "Fair Labor Standards Amendments of 1971".

(b) Whenever in this Act (other than in section 401(j) thereof) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the section or other provision amended or repealed is a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201–209).

Mr. DENT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. BOLLING) 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. 7130) to amend the Fair Labor Standards Act of 1938 to increase the minimum wage under that act, to extend its coverage, to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. DENT. Mr. Speaker, I ask unanimous consent that all Members have 5 days to extend their remarks and include extraneous matter on the bill H.R. 7130 under consideration today.

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

There was no objection.

PROFITS AND PROFIT MARGINS MERIT SPECIAL ATTENTION

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

Mr. BLACKBURN. Mr. Speaker, a recent Wall Street Journal article dealing with the profits and profit margins merits special attention. Any number of commentators and candidates are crying for

tough controls on profits and profit margins. As the Journal article points out, the average American citizen has heard these cries so often that he generally takes for granted that profits are too high.

But what are the facts? According to the Journal article total disposable personal income in this country rose from $511 billion to $741 billion in the past 5 years, up 45 percent, while corporate profits went from $49.9 billion in 1966 to $47.6 billion in 1971, down 4.6 percent. Looking at projected totals for 1972, the Journal reports that personal income will have risen 50 percent since 1966, while corporate profits will be up only 0.4 percent. Though profits have risen nearly $9 billion above the 1970 recession low, they had previously fallen by that amount while personal income continued to climb. Corporate income is today approximately at the same level as 6 years ago, although inflation has given the dollar less purchasing power.

As for profit margins the official yardstick is that prepared by the Federal Trade Commission and the Securities and Exchange Commission. In 1950 the average profit margin after taxes for all manufacturing corporations per dollar of sales was 6.4 cents. In the mid-1960's, profit margins stood at approximately 5.5 cents. Today, profit margins are only slightly over 4 cents. At the end of 1970, margins had shrunk to 3.6 cents on the dollar, the lowest level since 1947, when margin records were first kept.

What about prices? Compared to 1965, the average wholesale price of finished manufactured products as of February 1972 is up 21 percent, while the average hourly wage of manufacturing production workers is up 42 percent, or twice the price rise.

Mr. Speaker, the American economy cannot function without adequate profits and profit margins. For those who desire a healthy American economy, the record on profits and profit margins in the second half of the 1960's is a disturbing one. We must be concerned with maintaining a healthy economic climate which will create jobs for American workers and our decisions must be based on facts, not on politically inspired fiction.

SUPPORT FOR VOICE OF AMERICA

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

Mr. MONTGOMERY. Mr. Speaker. I am sure the majority of my colleagues will join with me in applauding the action of our colleagues in the Senate last week when they voted by an overwhelming majority to restore some $45 million in funds authorized for the U.S. Information Agency for fiscal year 1973. I feel that the Members of the other body acted wisely and prudently in overriding the arbitrary decision reached mainly by the chairman of the Senate Foreign Relations Committee.

Had the cut in USIA funds been allowed to remain, it would have meant a drastic reduction in the efforts of the highly competent employees we have at the Voice of America. The cut would have meant that the United States, which is already at a disadvantage in international radio broadcasting, would be that much further behind.

Mr. Speaker, at present, VOA broadcasts approximately 780 hours weekly in 35 languages. This compares to 1,903 hours weekly in 84 languages by the Soviet Union, 1,304 hours weekly in 38 languages by the Peoples Republic of China, and 1,022 hours weekly in 33 languages by Egypt. So we can see by this that even under present funding, VOA is far behind our main competitors in the ideological war. Had USIA's budget been cut by $45 million as proposed by Mr. FULBRIGHT, then VOA would have been forced to cut its broadcasting to only 454 hours weekly in just 11 languages. Such a large reduction would have meant that the United States was saying to the rest of the world that we are no longer interested in spreading the philosophy of democracy to men and women in other nations. We would have also been saying that we are no longer interested in providing the people under Communist domination with a fair and impartial accounting of world events, which is exactly what the Voice of America has been doing for almost 20 years.

Mr. Speaker, a Soviet journalist, Nikolay Ivanovich Zhiveynov, said it better than I could when he observed:

> The VOA attempts to be the first to respond to a particular event in international life and the first to evaluate it. It must be acknowledged that it does it well.

Mr. Speaker, I look forward to further outstanding work by the dedicated personnel at the Voice of America and salute them for their efforts in spreading the message of freedom throughout the globe.

TWO HIGH SCHOOL ROTC UNITS FROM LAREDO, TEX., WIN SECOND AND THIRD PLACES IN NATIONAL DRILL TEAM COMPETITION

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

Mr. KAZEN. Mr. Speaker, I wish to report with pride that two high school ROTC units from Laredo, Tex., competing here in Washington in the recent national drill team competition, won second and third places. It was their first appearance in this event, which has been won for some years by Xavier High School in New York City.

The Martin High School Singing Cadets were the runners-up in the competition, and the Nixon High School Drill Team was third. One of the fine young men from Martin, Cadet Lt. Jesus Gonzalez, was chosen "outstanding cadet of the Nation."

In these days when patriotism seems out of date to some young men and the benefits of ROTC training are doubted by others, Laredo maintains its pride in a high school program that began 28 years ago. Boys who were trained at Martin and Nixon High Schools responded to the country's call in World War II, Korea, and Vietnam.

When the two 1972 Laredo drill teams placed first and second in statewide competition, the school board held a special meeting to approve the trip to Washington. After the long bus ride from the banks of the Rio Grande to the banks of the Potomac, these teams entered the Saturday competition with only 4 hours' rest and performed splendidly. I am also proud to report that they drew admiring reports on their conduct outside the competition, and career officers here in Washington tell me they hope these Laredo teams can qualify to compete again next year.

The Martin ROTC is commanded by Cadet Col. Fernando Cerna, with Jesus Gonzalez as lieutenant. Other members of that team are Juan Abrego, Hugo de la Pena, Javier Villasenor, Jaime Delgado, Enrique Castro, Juan Meza, Dagoberto Longoria, Jose Luis Gonzalez, Daniel Holquin, Jose Benavides, Julio Delgado, Daniel Gomez, Humberto de Hoyos, Rene Rayos, George Pompa, Mario Gallegos, Raul Garcia, and Rodolfo Ramirez.

The Nixon drill team is headed by Cadet Capt. Guadalupe Saldana. Others on that team are Juan Alonzo, Javier Alvarado, Oscar Barrera, Jose Caballero, Jesus Cantu, Mario Dominguez, Eleazar Eggers, Gilberto Garza, Hilerio Gonzalez, Oscar Gonzalez, Pablo Gonzalez, Peter Hernandez, Jose Hinojosa, Jose Juarez, Alfredo Nunez, Jose Palacios, Alfonso Perez, Jose Reyna, Reynaldo Sanches, and Raul Nunez.

I am sure the young men of these teams would agree that credit should go, too, to their military instructors, first Lt. Francisco J. Montemayor as ROTC director for the Laredo Independent School District, Sgt. Miguel Saenz (ret.) and Sgt. Roberto Flores at Martin High School, and Sgt. Alfredo D. Lopez at Nixon High School. Col. Roberto Flores directed the ROTC program until last year, when he became assistant principal at Martin high, and Mateo Trevino, Jr., is a civilian in charge of military property.

While I point with pride to these two Laredo ROTC units, I am also pleased to call attention to another group of Nixon students, a group of young ladies known as the Golden Spurs. Their presentation of Mexican-American folk and modern dances is well known in Texas, but they recently extended their range with a guest appearance in Beverly Hills, Calif., and Disneyland.

Members of the traveling group are Elsa Barrera, Laurie Carrejo, Debra Garcia, Selma Garcia, Laura Garza, Patsy Haynes, Olga Laurel, Eliza May, Carmen Miranda, Berta Ramirez, Maria Elena Ramos, Annie Salinas, Laura Salinas, Araceli Sanchez, Patricia Schipper, Alicia Velasquez, Laura Villarreal, Becky Cathey, Maureen Gardner, and Mrs. Estela Kramer, director.

MR. HOOOVER—A GIANT BUT NOT INDISPENSABLE

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

Mr. DEVINE. Mr. Speaker, the future

of the FBI continues to be the subject of considerable conversation and speculation as a result of the recent death of its longtime Director, J. Edgar Hoover. I think it is important to realize however, that the FBI is an organization composed of professional men and women who will continue to perform their responsibilities with the highest efficiency regardless of who occupies the position of Director. Contrary to the belief of some, the FBI was not a one-man organization—it was an organization of some 20,000 individuals, each dedicated to contributing their very best in carrying out the awesome responsibilities assigned to this organization. The death of J. Edgar Hoover was a tremendous loss to the FBI—such a death would be a tremendous loss to any organization—but the principles which Mr. Hoover forged live today and they will continue to live as probably the greatest monument to J. Edgar Hoover.

Mr. Speaker, David Lawrence, who knew Mr. Hoover well and who has watched the FBI grow through the years, wrote a most timely column which appeared in the Evening Star of May 8, 1972, under the caption "FBI Isn't a One-Man Organization." I think it would benefit all in this body to read this fine column and insert it here in the RECORD.

[From the Washington Evening Star, May 8, 1972]

FBI ISN'T A ONE-MAN ORGANIZATION

(By David Lawrence)

Although J. Edgar Hoover rightfully deserves all the praise and tributes that have been given him since he died last week, there are some members of Congress who have the mistaken impression that the Federal Bureau of Investigation he headed somehow is a one-man organization.

The story of how the FBI operates is not generally known because its activities are necessarily secret. But its functions can be described. There are 8,600 agents throughout the United States, with 500 sub-offices which are under the direction of 59 field divisions. It often happens that as many as 15 sub-offices work on one case, controlled from one field division. In fact, the whole FBI is a big organization, which must work under close supervision and tight security. Inspection is frequent and a staff is maintained to do this through every field office.

The bureau is a model in government and has proved so effective that other departments have studied it so that various phases of its organization may be incorporated in their own operations.

The truth is, the FBI is self-sustaining, and Hoover made it so. While a new director who has a knowledge of the system and a familiarity with the work that is being done will be needed, the FBI itself can keep functioning through its offices because it has administrative officials below the rank of director who can oversee what is being done.

The chief objective of the FBI is to detect the perpetrators of crime or to conduct investigations to prevent the commission of crimes wherever possible. Many a police and law-enforcement body in this country knows a good deal about the efficiency of the FBI and the assistance it provides through its records and laboratories.

In Congress, however, there are some who feel that the files of the FBI should be examined to see that documents are not retained which are injurious to anybody. The FBI could not carry on its work if the information gathered by its agents were furnished to congressional committees for publication.

J. Edgar Hoover came into office as director of the Bureau of Investigation in 1924, and this writer recalls the emphasis that was placed upon his appointment because in the preceding years there had been irregularities and much criticism of the bureau. It did not take long for Hoover to become known to the public as a tough and incorruptible fighter against crime. Again and again he demonstrated that the FBI could be an effective instrument in the war against criminals and subversives.

The general feeling among the executive in the FBI is that the present organization will go on under a new leadership and that no substantial change will be necessary in the existing setup. Cooperation with local and state police will be continued, particularly in connection with crimes committed by those who cross state lines, as this is a federal offense.

The FBI under Hoover has never been a partisan of any administration and served every president faithfully. It has not taken any part, directly or indirectly, in political campaigns or the contests of candidates. The FBI sticks strictly to handling problems that are arising in greater numbers than ever today. It not only furnishes information to federal, state and local governments but works also with the Central Intelligence Agency in matters that relate to foreign governments and possible conspiracies of an international nature.

An acting director of the FBI—L. Patrick Gray III—has been appointed, and in time there will be a permanent director. Meanwhile, officials of the bureau are working just as hard as ever under the existing system. They feel that they can prove that the organization can carry out its objectives, though there is prevalent a sense of sadness that the leader of the last 48 years has passed away.

People in the FBI are much impressed by the fact that Hoover was honored by having his body lie in state in the Rotunda of the Capitol and that the President of the United States attended the funeral, along with many prominent persons from all branches of the government and from the nation.

PRESIDENT NIXON'S DECISION ON VIETNAM

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

Mr. GOLDWATER. Mr. Speaker, I firmly support President Nixon's decision to stop the supplies that enable the North Vietnamese Communists to continue their massive offensives.

This is a positive move to end the war in Vietnam and return our men, particularly the prisoners of war, to their homes and families.

While there is room for responsible criticism of the President, the irresponsible and treacherous attacks by some Democratic presidential hopefuls cannot be condoned. GEORGE MCGOVERN is the greatest single offender. He has every right to voice responsible criticism, but not the kind of knee-jerk rhetoric he is now uttering.

MCGOVERN'S comment, and Senator EDWARD KENNEDY'S concurrence, that the President is flirting with world war III is the same brand of scare tactic that was used in 1964 against my father. You might remember the television spot used by the Democrats that showed a little girl picking a daisy in a field, the next scene was the awesome blast of a hydrogen bomb.

That kind of terror tactic is just as repulsive now, as it was 8 years ago.

I have always supported reasonable dissent, but it is time we all put away personal ambitions and support the President of all the American people. The President has demonstrated truly great leadership by putting any political desires second to the welfare of our country and the 17 million people of South Vietnam. The only real hope the Communists have is if some American politicians continue to attempt to divide America.

President Nixon has offered the North Vietnamese leadership cult immediate peace at the conference table. But the enemy has shown utter contempt at every overture he has made.

Now let us band together as one American people and give the President a chance to end this war he did not start. An end that will leave the Southeast Asian continent free from Communist terror.

HEALTH PROGRAMS NEED SUPPORT OF CONGRESS

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

Mr. ROGERS. Mr. Speaker, in the very near future, we in the House, will be presented the appropriation bill for the Department of Health, Education, and Welfare. Hearings have been concluded on the health aspects of that legislation.

There are two pressing issues which I wish to bring to the attention of my colleagues. First is the recent and alarming exercise of power which is being exerted by the Office of Management and Budget upon legislation.

I cannot recall one person in all of the Federal Government, nor one voice from the private sector or the medical community who has not at some time echoed the call of a health crisis.

This Congress and the one before it and many throughout the decade of the 1960's responded to that call of crisis by passing good, sound, reasonable law in the health field. We continued just last year with the National Cancer Act and the Health Manpower Assistance Acts.

And I could count the dissenting votes to those and most other measures on the fingers of my hands. The Congress did and is responding.

But the Office of Management and Budget is perverting our institutions and in effect is relegislating our health laws by using the purse strings to strangle health programs. I am weary, and I think the Congress is weary of this usurpation of the powers of the Congress to legislate by accountants who view human suffering in terms of dollars and cents and the intentions of the Congress as minor considerations.

By controlling the money flow, OMB in effect establishes priority which may or may not agree with the intent of the law itself. And I think the time has come for the Congress to reassert itself in this area.

Secondly, the cut which OMB has imposed upon the health programs in general dangerously threaten the programs themselves.

Let us look at some of the differences between what came out of the Congress and what has come out of OMB.

Last year the entire Congress was involved in an important and difficult study of how to improve the health manpower situation. For if this Nation is ever to solve the crisis in health, we first must solve the manpower problem. For manpower is the basis of all health. Without doctors and nurses and allied personnel, nothing works.

Members of this House submitted 50 pieces of legislation designed to produce more manpower and help the shortage. The end product was the Comprehensive Health Manpower Training Act of 1971 and the Nurses Training Act of 1971. The legislation was geared to producing the needed 50,000 physicians and 150,000 nurses by 1978.

The authorizations were prudent and realistic and some in the medical and academic communities said we did not allow enough money. But I feel that the legislation we passed was good.

The President signed this into law, stating that the goal we set was a good and reasonable one and that the law would go far to help the health crisis.

The law requires our medical schools to enroll 10 percent more students each year, provides a capitation grant on a per-student, per-year basis, and funds for building the facilities needed to teach and train these people. The same was true for the Nurses Training Act.

The total cost for 4 years of education for a medical student is estimated at between $40,000 and $80,000. The Congress, through the capitation formula, attempted to aid—not completely finance—this student education by allocating $11,500 for the 4-year period. The people at the budget cut this to $8,200 for physicians. The nursing capitation came to only $250 per year in our authorization legislation and the budget cut this in half to $125.

Mr. Speaker, it is estimated that only slightly more than one-third of all students applying for medical school will be accepted in the 1972–73 school year. This represents at 10-percent drop from the 46-percent acceptance level of the 1970 school year. This does not represent the progress which our legislation promised. And with miserly financing proposed by OMB, we will continue to slide backwards instead of making progress.

The impact of OMB's meat-ax type of cutback can be seen best by the overall figures in this legislation. The Congress authorized more than $1.3 billion for fiscal year 1973. OMB requests $438.7 million.

An exceedingly alarming and dangerous trend is also evident in this legislation as it comes back from OMB. There is not one new dollar, not one new penny for construction of medical and dental schools, or for expansion there. The only money available is $72 million carry-over funds from fiscal year 1972. And this thinking carries throughout the health budget.

The accountants have eliminated all construction funds from the National Institutes of Health right on through the colleges to community mental health centers and finally to the granddaddy of health services—the Hill-Burton Hospital Act itself.

Hill-Burton authorization is $417.5 million. The budget asks for no money for construction of hospitals and public health service centers. It requests no money for modernization, it asks for no money for emergency rooms. There is only $85 million, $70 of which is for outpatient and $15 million for rehabilitation.

OMB is saying in effect, "No more Hill-Burton construction program. Phase it out.

"Drug addiction and alcoholism are skyrocketing, but we are not helping build places to treat them. No more community mental health centers, stop construction. We demand that medical schools take in 10 percent more students, but no new money to build the classrooms and laboratories you need to train these people. Do it on your own."

It is very clever to define the problem—drug addiction, mental illness, alcoholism, lack of beds and hospitals, a need to renovate and modernize existing hospitals, a lack of doctors and nurses—and then turn your back on the problems. But I consider it the height of irresponsibility on the part of the Office of Management and Budget to even propose this type of financial trickery.

The Congress authorized more than $157 million for hospitals, and another $90 million to modernize outdated buildings, and $85 million for long term care facilities. OMB is telling the Congress that it wishes not to implement these portions of law. OMB is telling the Congress that it is overriding our decision that construction funds are needed, and thus in effect, OMB is choosing to superimpose its thinking over that of the Congress.

Taking briefly some of the other health projects which are under the financial ax at OMB, I would point out that the Health Services and Mental Health Administration, the health delivery arm, is budgeted for a $72 million cut, not from authorized figures, but from the actual 1972 budget level.

The National Health Service Corps, designed to send medical help to areas where there is no health service, was authorized for $30 million and OMB has cut that to $8.4 million.

Formula grants to the States under the comprehensive health services or partnership for health program, were cut from the authorization of $165 to $90 million.

Even the National Cancer Act which rallied total nonpartisan support in the Congress, has come under the budgetary knife. Our promise for an all-out attack on this killer has been cut back some $100 million from the authorized level despite the President's own personal support for the program.

There have been modest increases for the National Heart and Lung Institute. But this, combined with the increases in cancer, have come at the expense of all other institutes doing research on the diseases of mankind. The increase of these other institutes is only 3.3 percent, not enough to even cover the inflation in the general economy. This means that research programs for dental health, neurological disease and stroke, arthritis and metabolic disease cannot even keep pace with expenses.

Mr. Speaker, the Office of Management and Budget is practicing the cruelest form of false economy by cutting back in the area of health. For it is false economy not to provide a $2 measle vaccination to prevent an unborn child from the possibility of mental retardation which will cost $100,000 of lifetime care.

It is false economy not to provide for control programs which would detect and prevent cancer or heart attacks when to do otherwise would be to send a victim into $125 a day intensive care units in hospitals.

We as a nation are spending $70 billion annually for sickness, disability, and death. More than two-thirds of the people in the labor force had one or more chronic conditions and as a result, during 1 year alone, 250 million workdays were lost because of illness of persons 17 years of age and older. And these facts are not to discount the sufferings attached to ill health.

I would like to include a breakdown of financial outlays which Dr. Michael DeBakey worked out which point out the lack of budgetary priority which health is receiving:

> We expend about $400 per person for defense, $125 per person for the Vietnam war, $40 per person for highways, $30 per person for space exploration, but as little as $7 per person for all medical research. Our tax dollar priorities seem ever more imprudent when we consider that it cost our Nation $70 billion—7 percent of our gross national product—last year to support all health activities, an amount exceeded only by the cost of our defense activities.

In other words, our lack of knowledge of health matters costs us about $315 per person, but we have been willing to spend only about $7 per person on medical research to help rid ourselves of this economic burden. Mental health services cost our Nation $4 billion, or $20 per person, but we spend only 70 cents per person on mental health research. Hospital, nursing home, and physician care, along with drugs and other health services and supplies, cost more than $6 billion for heart disease alone—$30 per person; yet we allocate less than $1 per person for heart research.

I would like to make one last point. We have heard OMB's response to our request for adequate funding in the health area. They point to a total health budget of $86.6 billion, an increase of $10.4 over fiscal year 1972. Here again we find a juggling of figures which is impressive on first sight.

But of that $86.6 billion, $60.8 billion comes directly from trust funds specifically committed to the social security and medicare programs.

The actual commitment to human resources is $28.7 billion, an increase of only $1.3 billion over last year's budget. Of this $28.7 billion, $20 billion, or four-fifths, will be expended for medicare or medicaid programs and the operation of

Federal medical programs for the armed services, the Veterans' Administration and other Federal beneficiaries.

Only $5.5 billion, one-fifth of the total, will be expended for programs aimed at changing and improving the health conditions of our Nation as a whole.

I sincerely hope that my colleagues will study the results of what OMB has done to the health programs which the Congress has passed in order to meet the existing crisis in health. To reverse these massive cutbacks in health programs is our only hope if we are to take the initiative in reversing the slide of health in America today. And it is the only way which we can honestly cast a vote for improving the health and the health conditions in our respective districts.

We have passed good health laws. If properly funded, we will improve the quality of our constituents. But if we allow OMB to compromise our commitment, then we will not be meeting our responsibility to the American people.

Mr. MILLS of Arkansas. Mr. Speaker, during the 92d Congress the Committee on Ways and Means has given careful and exhaustive attention to the vast and complicated problem of delivery of the highest quality of medical care to all of our citizens. In hearings extending over many weeks our committee has heard the health crisis described by representatives of all major groups interested in the health problem, including organized labor, the medical community, voluntary health organizations, the business community, and many citizens groups.

Speaking before several hundred physicians in Milton, Mass., several weeks ago I stated that:

> The cost of delivering adequate medical care to the American people is one of the Nation's number one problems. We are concerned especially for low- and middle-income persons, because even financially comfortable citizens can be destroyed financially by the cost of long-term catastrophic illness.

I am aware that in 1971 the Congress passed landmark legislation for a massive attack upon cancer, which claims the lives of 350,000 American citizens each year and is our second biggest killer. Its key provision calls for the establishment of 15 highly sophisticated cancer research centers where our great cancer scientists can pursue the knowledge which I believe will eventually lead to the conquest of this disease, which has cursed mankind since 4,000 B.C. I voted for this bill, including the increased authorizations for its purposes.

In recent weeks I have had several extended discussions with Dr. Edmund Klein, one of the country's great cancer researchers, who is currently pursuing his work at the Roswell Park Memorial Institute for Cancer in Buffalo, N.Y.—the oldest cancer reserach organization in the United States. Dr. Klein notes in a very thoughtful memorandum he sent tc me:

> Current Federal legislation in the cancer field is primarily oriented toward research. There is a great need for building the present state of the art and the advances that are rapidly being brought about in the cancer field from the research center to the bedside of the patient.

Dr. Klein and his colleagues see no reason why a sizable number of beds in existing institutions and in the new institutions to be created under the 1971 legislation cannot be devoted to general care for cancer patients. We are all for expanded research knowledge, and we read daily of new breakthroughs against cancer, but what good is this to a patient with one of the more common forms of cancer which does not fall within a new research category?

The Congress will soon consider legislation already passed by the other body, and which has recently been testified to and endorsed by leading medical specialists from all over the country before the committee headed by the gentleman from Florida. This legislation would create a similar research attack upon heart disease, which claims the lives of 1 million Americans each year. The emphasis is again upon the research patient, and this is proper.

However, these illnesses—particularly heart disease and cancer—can be enormously expensive and a tremendous burden upon the patient and his family. I want to assure the gentleman from Florida that I want to work with him and others in the coming months in arriving at a solution to making these new research breakthroughs against the Nation's two biggest killers—heart disease and cancer—available to every American of whatever stations in life. We all know there are gaps in our present health insurance structure which need the attention of the Congress.

I include the following:

WHAT ARE THE FACTS ON CANCER?

Cancer will strike one out of every 4 Americans until new preventions and cures are found. One in 6 deaths will be from cancer this year.

43,928 Americans died in Vietnam (January 1, 1961 to October, 1970). Cancer killed 3 million in the same period.

In spite of these appalling facts, this year we are only spending, per citizen: $380 for National Defense, $17 for Foreign Aid, $15 for Space Investigation, $2.16 for one Apollo Moon Mission (Apollo 16) and only $1.60 for cancer research.

The cure and prevention of cancer will save millions of lives, eliminate untold suffering and yield enormous benefits to the economy of our country.

HOW DO CANCER DEATHS IN THE UNITED STATES COMPARE WITH DEATHS FROM OTHER CAUSES?

	Date	Number
Cancer deaths (United States).	1970	330, 840
Auto accident deaths	1970	53, 430
Cancer deaths (United States).	1970	330, 840
Polio deaths (worst year)	1952	3, 300
Cancer deaths (United States).	1970 alone	330, 840
World War II deaths	4 years	291, 557
Cancer deaths (United States).	1970 alone	330, 840
Korean war deaths	3 years	33, 629
Cancer deaths (United States).	1970 alone	330, 840
Vietnam war deaths	Jan. 1, 1961, to October 1970.	43, 928

Source: National Health Education Committee, Inc., New York. April 1972.

Mr. HASTINGS. Mr. Speaker, I would like to use my limited time to speak of communicable disease control and drug and alcohol abuse.

Many of the diseases that take thousands of American lives each year could be controlled, indeed eradicated, through broader application of techniques and cures already perfected. We know the causes of communicable diseases, so we know how to prevent them. We can treat them effectively. Therefore, funds for the control of these diseases can be spent with guaranteed results.

Unfortunately, we do not always act on the basis of that knowledge. All of us here can recall the relief felt nationwide in the mid-1950's when it became apparent that polio—the horrible disease that killed 3,300 Americans in 1952—could be wiped out through vaccines. There was similar relief more recently when effective vaccines were developed to prevent measles.

Yet just last month the American Medical Association, in full-page ads that ran in major newspapers, warned of threatened epidemics of both polio and measles in some central-city and rural areas—simply because the people have not been getting the vaccine. Surely there can be a greater effort, including a greater Federal investment, to protect our people from diseases we already know how to prevent.

Tuberculosis killed 5,560 Americans in 1970, and there were 37,137 new cases of the disease. In parts of New York City that year the death rate from tuberculosis was 135.9 per 100,000 persons—nearly eight times the national rate. But the disease is widespread. Although TB rates are highest in large cities, more than half of all new cases appear in areas of less than 100,000 persons.

We now know how to treat tuberculosis effectively, primarily through drug therapy. It takes time, usually from 18 to 24 months of medication, but it cures the patient. Despite this, TB control programs throughout the Nation are having difficulty for the first time in years, all because Federal funds for their support are running out. The New York City Commissioner of Health has been notified by the Department of Health, Education, and Welfare that project grant funds for tuberculosis control programs will not be available after the end of fiscal year 1972. Surely the Congress can somehow see to it that these essential programs are continued.

Venereal disease, now so widespread. is like tuberculosis in that it can be controlled through known treatment programs. All that is needed is continuous treatment, and favorable results can be predicted with certainty. Effective treatment of most venereal disease is not expensive. but it must be made available.

In February of this year the Department of Health, Education, and Welfare released a report saying that the Nation's greatest drug problem is alcohol abuse. According to this report, alcoholism afflicts 9 million Americans and costs the Nation about $15 billion annually. Alcohol is the cause, directly and indirectly, of nearly half of all arrests in the United States each year and of 28,000 deaths on the Nation's streets and highways.

The administration announced a full-scale attack on alcoholism, but unfortunately such an effort is not reflected in the proposed budget for fiscal year 1973. For example, the recommendation of formula grants to the States is only $30 million, whereas Congress has authorized $80 million. For alcoholism project grants the administration has recommended $50 million, or $10 million more than fiscal year 1972 appropriation. However, some 250 alcoholism programs formerly operated by the Office of Economic Opportunity have been transferred to the National Institute on Alcoholism; these new programs will cost an additional $16 million in the coming year. Surely adequate funds can be made available to combat alcohol abuse.

There are between 300,000 and 400,000 users of hard drugs in the United States. Acknowledging this most destructive sort of drug abuse, Congress recently enacted the Drug Abuse Office and Treatment Act of 1972. The new law requires all community mental health centers to provide specialized drug abuse programs, and many of the 389 operational centers are planning to initiate these programs in fiscal year 1973. However, the National Council of Community Mental Health Centers estimates that the administration's budget request would permit continuation funding for all grants previously funded and would allow for 70–80 new grants. The Council therefore recommends that in order to deal effectively with drug abuse and narcotics addiction the administration's proposed funding of $93.4 million should be increased to $160 million.

I think it is important for Members of Congress to examine these programs and their proposed budgets carefully in the days immediately ahead. By acting wisely, by providing adequate funding for important programs, we can protect the health of many more Americans.

Mr. MATSUNAGA. Mr. Speaker, I commend the distinguished gentleman from Florida (Mr. ROGERS) for the leadership he has assumed in improving our Nation's public health services. The dean of the School of Public Health of the University of Hawaii, Dr. Edward O'Rourke, has recently expressed deep concern over the inadequate funding levels of the 1973 budget for public health training. I am referring to the $49 million that is authorized under sections 306 and 309 of the Public Health Services Act for traineeships, training grants and formula grants for public health training. Only $21 million, which is less than one half of the authorized amount, has been requested by the administration.

What the administration apparently fails to realize is that the authorized funding would constitute an investment in the graduate training of health personnel who would serve in a wide variety of positions, primarily in public agencies and voluntary health organizations, in the delivery of personal health services, in the control of the environment, and in the administration of the health delivery system.

There are only 18 schools of public health in this vast country of ours, and they serve as a national resource in meeting the needs of our entire country for trained public health personnel. The schools are:

University of California, Berkeley.
University of California, Los Angeles.
Columbia University.
Harvard University.
University of Hawaii.
Johns Hopkins University.
University of Illinois.
University of Loma Linda.
University of Michigan.
University of Minnesota.
University of North Carolina.
University of Oklahoma.
University of Pittsburgh.
University of Puerto Rico.
University of Texas.
Tulane University.
Yale University.
University of Washington.

The inadequate funding for public health training has had disastrous results. Programs affecting 563 students have been curtailed for lack of funds. Almost 50 faculty positions were eliminated last year because of financial difficulties. The outlook for next year is not any brighter. The schools will be forced to vacate some 70 faculty positions next year unless funds for public health training are increased above the 1973 budget request.

In the school year 1971–72, there were 6,294 applicants to schools of public health. Only 3,000 could be admitted. With more adequate financial assistance under public health training a total of 4,000 students could have been admitted.

Let us not repeat the mistakes of the past. Instead, let us make an adequate investment in public health training so that we can give meaning to the concept that our citizens, as citizens of this great country, are entitled to good health services.

Mr. CONTE. Mr. Speaker, I want to commend the gentleman from Florida on his thoughtful statement.

I am particularly disturbed by the low figure for alcoholism. For fiscal 1973 the administration recommends $97,533,000 for the budget of the National Institute on Alcoholism. The claim is made that this is an increase of $10 million over last year, but in actual fact it is not, because the $10 million is money to cover the existing 250 alcoholism projects transferred this year from OEO to the National Institute on Alcoholism. In actual fact it is a cut, because an additional $6 million for OEO alcoholism projects have been approved since the President's budget was submitted and these will also have to be financed out of the limited $97 million budget of the Alcoholism Institute.

I am somewhat puzzled by all of this because in February of this very year top officials of the Department of Health, Education, and Welfare appeared at a press conference to announce a massive new attack on alcoholism. At that conference they released a report to the Congress stating that the Nation's top drug problem was alcohol abuse. In the 120 page report to the Congress there were references to the 9 million alcoholics in the country. The cost to our economy exceeding $15 billion a year, and the tremendous death toll which alcohol abusers cause on the Nation's highways each year—50 percent of all fatalities.

Under the Pioneer Comprehensive Alcohol Abuse Act passed unanimously by the Congress in 1970, the key section of the legislation authorized formula grants to the States to plan and develop statewide treatment and rehabilitation programs to take the alcoholics out of the jails and off the streets and get them into decent treatment facilities.

Although $80 million was authorized for this legislation (P.L. 91–616) for formula grants to the States in fiscal 1972, the administration recommended no funds. Fortunately, the Congress disagreed and appropriated $30 million in formula grants to the 50 States. Most of the States have completed the comprehensive alcoholism plans required by the law, and the National Institute on Alcoholism estimates that full funding of these plans worked out over many months of planning and public hearings will require at least $250 million in fiscal 1973. Yet the administration, despite all of the evidence, recommends $30 million—the same amount as the Congress appropriated for fiscal 1972.

My own State of Massachusetts can serve as an illustration. If the administration recommendation is sustained, we will receive only $718,000 to provide treatment services for an estimated 300,000 to 400,000 alcoholics. However, if the fully authorized amounts in formula grants to the States of $80 million is appropriated for fiscal 1973, Massachusetts will receive a little more than $2 million.

The same situation faces our community mental health center program. Our Labor-HEW Appropriations Subcommittee noted in last year's report that for the first 2 years of the 3-year renewal of the original 1963 Community Mental Health Centers Act, the administration recommended no moneys. The Congress, led by our committee, reversed this decision and appropriated $15 million. However, the Office of Management and Budget allowed the National Institute of Mental Health to spend only $5.2 million of this appropriation in fiscal 1972. It recommends no new moneys for fiscal 1973. This, as many outstanding mental health experts pointed out in testimony before our subcommittee this year, will lead very shortly to the killing of the mental health center program, and my State will be deeply affected by this.

The administration is following the same policy in regard to staffing of community mental health centers. Last year, if we had sustained the administration recommendation, 65 centers in all parts of the country which had raised the required matching money would not have opened their doors. Our subcommittee added $30 million to save these 65 centers.

For fiscal 1973 the administration recommends the exact same sum as the Congress appropriated last year, although it was aware of new amendments to the basic Community Mental Health Centers Act requiring higher matching Federal percentages for centers in pov-

erty areas. According to the administration's own guidelines, 55 percent of the centers are serving poverty and low-income areas. The administration claims that under its fiscal 1973 budget, it will be able to open 22 new centers in the coming year. I fail to see how this can be done with the same recommendation as in fiscal 1972 and with the requirement of increased Federal matching money in poverty and other areas.

But even taking the administration at its word, the funding of 22 new centers will be the lowest number started since the original legislation proposed by President Kennedy and unanimously adopted by the Congress in 1963. The National Institute of Mental Health estimates that at least 120 new centers will have to be opened each year in order to reach the goal of 1,600 to 2,000 new community mental health centers by 1980, as envisioned in the 1963 congressional legislation.

In the first 4 years of the centers staffing program, we came close to the 1963 goal. However, in fiscal years 1970 and 1971 we dropped back to an average of 33 centers a year; in fiscal 1972 the increased appropriation initiated by our Labor-HEW Subcommittee had to be used to fund grants approved in the prior year, and now we face for fiscal 1973 a situation in which every mental health expert testifying before the committee this year has stated that not one single additional community mental health center can be opened in fiscal 1973.

As a member of the Labor-HEW Appropriations Subcommittee, I will do my utmost to see that adequate funding for alcoholism and mental health programs is provided in the fiscal 1973 appropriations bill.

Thank you, Mr. Speaker.

Mr. CAREY of New York. Mr. Speaker, I want to commend the gentleman from Florida (Mr. ROGERS) and his colleagues who serve on the Subcommittee on Public Health and Environment for their leadership in the field of health. They will recall that we enacted the so-called "partnership for health" legislation some years ago.

That act authorized funds for States and communities to assist them in comprehensive health planning and the provision of public health services. In actuality, the partnership has failed dismally because the Department of Health, Education, and Welfare has refused to adequately fund the formula grants to States under the authority of section 314(d) of the PHS Act. Seventy percent of these funds for public health services must be spent at the local level.

The 1973 budget request for section 314(d) funds is $90 million, the same level appropriated in 1972 and 1971. For 1973, however, the authorization is $165 million.

I do not know why it is that HEW is distrustful of the States when it comes to funding health programs. Although the Department is requesting $75 million less than the authorization for formula grants to the States it is requesting $179 million for project grants under section 314(e)—a funding level that is $22 million over the $157 million that is authorized.

We all know how dear to the hearts of the health bureaucrats are project grants. With project grants the Feds can dictate to the States and communities the development and operation of public health programs.

We see the same performance with respect to other health programs. In the case of alcoholism, for example, HEW is requesting only $30 million of the $80 million authorized for formula grants but $48 million of the $50 million authorized for project grants.

The Federal investment in section 314 (d) funds under the so-called partnership for health program is approximately 5 percent of the total expenditures of State and local government units. I do not call that much of a partnership.

Mr Speaker, the health budget for 1973 offers no prospects for progress to those afflicted with mental illness or developmental disabilities. It is not even a standpat budget because it would reduce funds to a level below 1972 for these two programs.

No funds at all have been requested for the construction of community mental health centers in 1973. This year there is $15 million available. There is no increase for the staffing of community mental health centers and so no additional centers will receive staffing assistance next year. If we are to take care of the backlog and move the program forward, a minimum of $60 million should be added to the meager request of $135 million for staffing assistance.

The $44.4 million that is requested for grants for the developmentally disabled in 1973 is $5 million below the amount appropriated in 1972. Only $21.7 million would be available for grants to the States even though more than $100 million is authorized to be appropriated. This improvident approach to a national problem is demeaning to a health-minded nation such as our United States. Surely we can afford to do better than this.

I do not know how much influence the Department of Health, Education, and Welfare has in the formulation of the budget for health programs. I find it hard to believe that the Department with responsibility for health would condone budget cuts in the fields of mental illness and developmental disabilities. Perhaps the legislation to establish a separate Department of Health should be enacted if the House of Health is not to deteriorate through something less than benign neglect.

To illustrate the impact of these programs in my own city, I point out that in fiscal year 1971, New York City received over $14 million in project grants for the developmentally disabled out of a total of $188 million spent nationwide. We cannot suffer any budget cuts in these already modest sums for such effective and worthwhile programs.

Mr. SYMINGTON. Mr. Speaker, I want to call attention to the administration's recommendation for the National Institute for Arthritis and Metabolic Diseases for fiscal year 1973. The recommendation for $159 million—less than $6 million over the amount appropriated by the Congress last year is plainly inadequate. Since the administration itself has admitted that the cost of the medical research rises at a rate of about 10 percent a year the fiscal 1973 recommendation is, in reality, a cut. This Institute encompasses some of the most common and disabling illnesses in the United States today. For example, arthritis and rheumatic diseases head the list of chronic diseases in the United States in 1972. Arthritis alone afflicts some 17 million Americans at a cost to the economy of $2 billion a year.

Mr. Speaker, I am most interested in the Institute's mandate in the field of the so-called digestive diseases. Into this category fall such disorders as peptic ulcer which afflicts one in every 10 American adults; cirrhosis of the liver, the fourth most common cause of death of adults in this country; gallbladder diseases and a whole host of additional digestive diseases. Such disorders comprise major or contributing causes of hospitalization for more than 5 million Americans each year and cost the national economy an estimated $8 billion.

I am pleased that the Institute has recently designated an assistant director for digestive diseases. This is a step in the right direction, but it is not enough. In addition, the current Congress has passed legislation to change the name of the National Institute of Arthritis and Metabolic Diseases to the National Institute of Arthritis, Metabolism and Digestive Diseases. We must place much greater emphasis upon this whole host of digestive diseases which kill and cripple so many Americans today.

Only the research advances of the last decade have admitted light to this dark corner of the Nation's health. The control of gout is but one of a number of significant achievements. Ongoing research has uncovered promising new departures. Continuation of momentum at this point is essential for exploiting opportunities to deal positively with the Nation's major chronic and debilitating diseases. Therefore, increased funding for this Institute is needed to expand the fight against these diseases.

Mr. KYROS. Mr. Speaker, I would like to discuss a budget consideration that I believe to be critical, funding for maternal and child health services. Since the inception of the program in 1935, maternal and child health service grants have provided Federal aid to the States for the development and expansion of services for promoting the health of mothers and children, especially in rural areas and areas suffering from severe economic distress. The State maternal and child health programs have been involved with programs that prevent disease; they have conducted health education programs; they have been in the forefront of directing outreach programs.

States receiving formula grants for maternal and child health services combine Federal money with State and local moneys to provide prenatal and postpartum care for mothers, including family planning services; visits from public health nurses before and after babies are

born to help mothers care for their babies; well child clinics where mothers can bring their babies and young children for examinations and immunizations, and a place where mothers can get competent advice on child nutrition, disease prevention, child rearing, and so on. Special programs to help prevent mental retardation and programs related to teenage pregnancy are among other specific areas administered by maternal and child health services.

Perhaps maternal and child health programs were created before their time, for only now are the above activities recognized as being necessary ingredients of a comprehensive health program. Yet at this time, when we as a society have these services in child health, we are not come to recognize the important role of funding them to the level required.

Also of concern are the special projects for maternity and infant care, and the children and youth projects established under title V of the Social Security Act. These programs were designed to provide high quality maternity care to low-income, high-risk patients, and comprehensive health services to newborn infants and children.

It has been said that poverty is perhaps the most significant single contributing factor which affects infant survival. Women living in poverty become pregnant earlier, become pregnant more frequently and at shorter intervals and continue childbearing until much later in life than middle-class women. Medical complications are more common, and high-risk factors are more prevalent in low-income women. All these conditions are associated with an unfavorable pregnancy outcome, and they contribute substantially to infant mortality rates.

Maternal and infant care projects have significantly reduced infant mortality among our innercity, low-income population. The programs have been successful in breaking into the poverty cycle at a point that shows real promise. By providing interconceptual care, and maternity care, maternal and infant care projects have reduced the frequency of premature and low-birth-weight babies. Infant care has allowed for the detection and treatment of handicapping conditions, preventing crippling in later life. Family planning services, offered in the context of improving maternal and child health, allow a low-income mother to space her children so that they can be amply provided for. With a better start in life, maternity and infant care babies may be able to interrupt the cycle of welfare dependence, limited education and illegitimacy, and make a better life for themselves and their children.

Children and youth projects provide comprehensive health services to school and preschool children in areas where low-income families are concentrated. Forty-one percent of those registered were under 1 year of age, 57 percent were ages 1 to 9. The impact of these projects toward improving the quality of life for the children of this Nation are borne out in data reflecting the decrease in illness among children served, a 50-percent decrease in the number of children requiring hospitalization, and a reduction in the length of stay of hospitalization.

These special projects are of utmost importance in protecting the Nation's greatest resource—our children. Funding for all phases of maternal and child health services, however, have been inadequate over the years. I urge my colleagues to consider the importance of these programs when considering appropriations for health services in 1973.

Mr. ROY. Mr. Speaker, in the brief time available I would like to make a few comments as one of the Members of Congress who is also a physician.

This Nation's general condition of health is not so good as it should be, certainly not when you consider the general prosperity of our citizens. The people of nations less wealthy than ours are healthier than our people.

In the past two decades, the death rate in the United States has declined by about 2 percent and the average American's life expectancy has increased by over 2 years. That is all right, so far as it goes, but it is not the complete story.

Of all the Americans who die each year, about two out of five die from diseases of the heart, and the death rate from heart disease is increasing. About one in six dies from cancer, and one out of every four Americans will be stricken by cancer. More than one death in 10 is caused by some type of stroke. Influenza and pneumonia may kill 75,000 Americans a year. It is estimated that 20 million Americans suffer from mental or emotional illness of one form or another, but severe enough to require psychiatric treatment; many of them do not get that treatment. The Department of Health, Education, and Welfare recently estimated that 9 million Americans are alcoholics, and it put the cost of their alcoholism at $15 billion a year.

How do we improve the state of the Nation's health?

We in Congress can begin by providing more support than the Nixon administration has proposed for many health programs in the fiscal 1973 budget. In a lot of cases this means simply that congressional appropriations should come somewhat closer to congressional authorizations.

For example, the authorization for manpower programs in the medical, dental, and related health professions is $938 million, but the administration recommends just $331 million. The Nurse Training Act of 1971 authorized $296 million for fiscal 1973, but the administration is requesting only $122 million. The administration would put an end to most grants for the construction and modernization of health facilities. The proposed increase to $432 million for the National Cancer Institute, as welcome as it is, remains nonetheless at $100 million below the amount so recently authorized by Congress.

By increasing funds for these and other important health programs, Congress cannot, of course, bring about an immediate and dramatic improvement in the overall health of the Nation. Such change takes time, just as complete recovery from a serious illness takes time.

But by failing to provide significant increases, Congress certainly will not hasten the day of better health for all Americans. And by failing to provide adequate funding now, for fiscal 1973 programs, Congress will miss a crucial opportunity to make this Nation as healthy as it deserves to be.

Mr. KUYKENDALL. Mr. Speaker, title V of the Social Security Act provides that special project grants may be made to provide comprehensive health services to school and preschool children in areas where low-income families are concentrated. Throughout the Nation 98 percent of those children registered in these projects are under 9 years of age. Currently there are 59 children and youth projects located in 30 States and the Virgin Islands.

These programs are having a tremendous impact toward improving the quality of life of our young children in low-income urban and rural areas. I am pleased to share with my colleagues the advantages being derived by many of my constituents through the children and youth program located in Memphis. I wish to include in the RECORD at this time a brief abstract of the children and youth project in Memphis, prepared by David H. James, Jr., M.D., of the University of Tennessee College of Medicine, department of pediatrics:

THE IMPACT OF A CHILDREN AND YOUTH PROJECT ON THE NEED FOR IN-PATIENT HOSPITAL CARE

(By David H. James, Jr., M.D.)

The Memphis Children and Youth Project serves approximately 3,500 infants and children from low-income families that reside in four census tracts of the northwestern portion of the city. During the first full year of operation (1968), there was a need for 200 individual hospital admissions, requiring 964 hospital days. By the third year (1970), the number of hospital admissions had decreased to 80 and the number of hospital days to 267. During this latter, 42% of the admissions were for medical problems and 58% for surgical procedures. This percentage distribution is the same as that experienced by the private practice sector of the Memphis community in 1970.

The average length of hospitalization for the Children and Youth Project patients dropped from 4.8 days in 1968 to 3.3 days in 1970. This compares with an average hospital stay in 1970 of 3.8 days for patients of the pediatric age group in the Memphis private practice sector.

It is concluded that the Memphis Children and Youth Project has brought about a marked decrease in the need for hospitalization for infants and children in the Project area. It is further concluded that, after three years of operation, the types of problems requiring hospitalization and the length of stay in the hospital are the same for those infants and children served by the Project as for those served by the private practice sector of the Memphis community.

Mr. Speaker, the Appropriations Subcommittee on Labor-HEW is now involved in deliberations on the maternal and child health budget. I encourage my colleagues to bear in mind the estimated need and the benefits to be derived of these programs when we begin consid-

eration of the health budget for fiscal year 1973.

Mr. ASPIN. Mr. Speaker, the American working man and woman is increasingly cynical about the political process. Next to tax reform there is no other issue today which more excites working people than the cause of worker safety and health. Congress passed a strong law—the Occupational Safety and Health Act of 1970—to make jobs safer and healthier. But we have failed to back this up with money. The Nixon budget for fiscal 1973 provides a paltry $4 million for occupational health research which comes to a miserable 8 cents for every one of the 57 million workers covered by the law. Millions of workers today are bombarded by dangerous noise, dust, fumes, gases, and chemicals which impair health and shorten lives—in clear violation of the new worker safety and health law. We must, and we can, make sure that the talent and resources of the Federal Government are available to research the causes of ill health inflicted by occupations.

The Coalition for Health Funding has suggested that Congress appropriate no less than $10 million for occupational health research, so that millions of our fellow citizens will be liberated from the curse of lung, skin, and heart diseases caused by health hazards on the job.

Mr. Speaker, the AFL–CIO Industrial Union Department has been a leader in seeking strong implementation of the new health and safety law and in urging Congress to grapple with the dangers of health hazards. I ask unanimous consent that a recent article about the IUD's evaluation of the safety and health law be included in my remarks:

[From Occupational Safety and Health Reporter, Bureau of National Affairs, May 4, 1972]

IUD Charges Labor Department With Half-Hearted Enforcement of OSHA

"Half-hearted enforcement policies" of the Department of Labor in the field of occupational health and safety are subjecting an unknown number of workers to "needless and highly dangerous contact with cancer producing substances," Peter Bommarito, chairman, Industrial Union Department Safety and Health Committee (AFL–CIO), charged April 28.

Bommarito, also president of the United Rubber Workers, led a group of officers of unions affiliated with the IUD to meetings with Elliott Richardson, Secretary of Health, Education, and Welfare, and James D. Hodgson, Secretary of Labor, on the first anniversary of the Occupational Safety and Health Act.

"The Occupational Safety and Health Act was a major milestone in the long effort of American workers to win badly needed protection from illness and injury at their place of work," Bommarito said. "We have made a little progress in the past year. We would have made much more if the Department of Labor had applied the legislative intent of the Congress to its enforcement of this law. Unfortunately a year's experience reveals that the Department of Labor seems smugly content with half-hearted enforcement policies, which fall short of what is needed to give workers the kind of health and safety protection spelled out in the law."

The IUD is particularly concerned that "these lackadaisical policies" of the department have permitted many workers to have needless and highly dangerous contact with cancer-producing substances, Bommarito said. "Asbestos is one of these cancer breeding materials. Six months ago, the IUD demanded an emergency standard on asbestos, after medical scientists reported the beginning of an epidemic of asbestos-produced cancer. At Manville, N.J., there are estimates of 50 cases of mesothelioma, as asbestos caused body cancer, and perhaps 500 cases of lung cancer. The Department of Labor, having promulgated emergency standards on asbestos, has taken no action on its own."

BETA-NAPHTYLAMINE

Beta-Nephthylamine is a particularly notorious cancer producing chemical, against which the Labor Department seems unwilling to move, Bommarito said. "We know that this product was being produced in Pennsylvania until the state government a few years ago stopped it," he said. "It was being produced in Augusta, Ga., by a subsidiary of the Synalloy Corporation, and by another division of the same company in Spartanburg, S.C., from 1953 until the company halted manufacture on its own decision just a few weeks ago." The company probably halted manufacture because of IUD complaints, he said.

"The fact that two states permitted their citizens to work in close contact with these dangerous materials does not surprise us, because the various states have a poor record in the field of industrial health and safety," Bommarito said. "But since April 28, 1971, the Department of Labor has had authority to force the company to discontinue production of this cancer producing material. Not only did the department fail to act under the general duty provisions of the law, but it declined to adopt standards for the control of beta-Naphthylamine and several related and similarly dangerous materials."

LABOR DEPARTMENT INACTION

"All we have gotten from the Department of Labor is promises and delays," Bommarito said. "Meanwhile, until the company stopped producing the materials, some 120 workers in each of the two plants were subject to dangerous contact with this killer material. No one knows how many people altogether have been exposed to this chemical, which causes tumors of the bladder."

These cases symbolize our dissatisfaction with the administration and enforcement of the Act," Bommarito said. "We have many other grievances. We believe that the Department of Labor has belittled the nature of the threat to health in industry, that it has delegated far too much authority to the states, and that it has constantly set its sights too low, in terms of budget and enforcement policy."

The Occupational Safety and Health Administration has denied access of interested groups to information vital to the administration of the law, and its enforcement apparatus is clogged with red tape and needless paper work, Bommarito said. "It has tended to belittle the role of the unions and their members in helping make the workplace more safe and more healthy."

The National Institute for Occupational Safety and Health should be upgraded, Bommarito said, so that it can more effectively carry on its work of research, education, and evaluation of hazards, important functions in job safety and health. "If NIOSH were to be moved from the Department of Health, Education, and Welfare to the Department of Commerce, as President Nixon's reorganization plan would provide, we fear the effectiveness of this agency would be torpedoed," he said.

"On this first anniversary of OSHA, we call upon the Department of Labor to make this law the effective enforcement instrument that it was intended to be," Bommarito said. "The working people of America have a right to this protection under the law," he said, and "we mean to keep working at this problem until they get it."

OTHER TOXIC SUBSTANCES

The case of beta-Naphthylamine is less well known than asbestos, the IUD said. "It is one of a group of cancer causing chemicals so lethal that the American Conference of Governmental Industrial Hygienists, whose members include the official hygienists of 45 states, has warned that no exposure or contact with them is considered safe."

The group includes: 2-Acetylaminofluorene, 4-Aminodiphenyl, Benzidene and its salts, Dichlorobenzidene, 4-Dimethylaminoazobenzene, 4-Nitrodiphenyl, N-Nitrosodimethylamine, and beta-Propiolactone.

Standards for four of these substances were promulgated under the Walsh-Healey Act, the IUD said. Not only did OSHA fail to act under the general duty clause of the Act, it consciously did not adopt standards for the control of these compounds.

Congress intended for the standards under Walsh-Healey to be adopted under OSHA, the IUD said. "It was also the intent of Congress that the Secretary set emergency standards for recognized hazards such as those represented in the entire list of nine. Neither has been done. The IUD feels strongly that action should be taken."

LEGAL CHANGES

Employers are attempting to have the Act changed to exempt small employers, an idea opposed by the IUD because many of the worst offenders are small, Jacob Clayman, IUD Administrative Director, said. The IUD does not recommend any legal changes because the law is only one year old.

Organized labor only recently recognized that death and injury are not a necessary part of the job, Clayman said. There is a growing crescendo of worker concern for safety and health. Ralph Nader's report failed to recognize all that has been done in recent years by organized labor, he said. The Act itself is the product "lock, stock, and barrel" of the labor movement, he added.

The IUD is concerned that NIOSH is low down on the HEW "totem pole," Clayman said. NIOSH needs more people and more effective people. Only one criteria document has been produced so far, and that was after IUD insistence. The projected production of eight or nine more documents this year out of the 12,000 toxic substances listed, is an example of the "stumbling, fumbling pace that has already been set," he said.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks in the body of the RECORD on the matter of health appropriations.

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

There was no objection.

THE PRESIDENT SHOULD VISIT JAPAN

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 10 minutes.

Mr. HAMILTON. Mr. Speaker, there is an urgent need to repair our relations with Japan. The deterioration that has occurred during the past year has many

causes, but a major source of friction has been our Government's propensity for unilateral action on matters of vital concern to the Japanese. It is essential to overcome the mistrust which the administration's actions have created in Tokyo. The most effective way to do so would be for the President to visit Japan.

Symptomatic of what is wrong with United States-Japanese relations is the postponement for the second time of Presidential Adviser Henry Kissinger's trip to Tokyo. Japanese leaders had been looking forward to learning from Dr. Kissinger more about American diplomatic strategy in Asia and in the world at large. While Mr. Kissinger's reasons for remaining in Washington at this time are understandable, there can be no doubt that United States-Japanese relations have received a further setback.

Clearly our relationship with Japan is the key to our hopes for building an enduring peace in Asia. Japan's devotion to democracy, its success in building a free and stable political system, its remarkable economic progress, and its importance to our foreign trade make it our natural partner in the Far East.

These are considerations we have tended to overlook recently when we have been concentrating on opening up a dialogue with China. However, China's potential for exerting a positive influence on international affairs is hardly comparable to that of Japan. China is economically weak and preoccupied with its internal development. Most important, there does not exist the mutuality of interest between the United States and China that makes the prospects of United States-Japanese cooperation so promising.

We are in danger of losing the benefits of a close and cooperative relationship with Japan. We are doing so because our Government has failed to consult with the Japanese on matters of crucial importance to their own security and well-being.

It is with respect to China that the administration has shown the greatest disregard for Japanese sensibilities. The Japanese are deeply concerned about developments that affect their giant neighbor. Yet, we gave them no advance notice of our plans to broaden contacts with the People's Republic. We informed Prime Minister Sato only 10 minutes before announcing President Nixon's plan to visit Peking.

After the visit, our Government again showed that it did not appreciate Japan's special interest in China. To report on the Peking talks, we sent to Tokyo State Department officials who were not even present at President Nixon's key meetings with Mao Tse-tung and Chou En-lai. The Japanese felt they were being slighted, and they said so publicly.

A further blow to United States-Japanese relations came when our Government acted without warning to suspend dollar convertibility and force a revision in international exchange rates. We then added to Japanese resentment by our heavy-handed pressure for revaluation of the yen and by our bulldozer tactics in negotiating an agreement limiting Japanese textile exports to the United States.

The Japanese have also been perplexed by the Nixon doctrine, with its emphasis on maintaining international order through a balance among the world's five major powers--the United States, the Soviet Union, China, Western Europe, and Japan. Japanese leaders increasingly recognize that their country's growing economic strength means it must undertake greater international responsibilities. However, they must cope with a public that is wary of international involvements because of the traumatic experience of World War II, and they fear that we expect Japan to play a more active military and diplomatic role than is politically feasible at this time. Furthermore, since they have based their defense policy on the alliance with the United States, they are concerned about the implications of reduced American military power in Asia.

Because Japan has made cooperation with the United States the foundation of its foreign policy since World War II, our apparent lack of concern for legitimate Japanese interests has been a source of national humiliation to the Japanese. Our attitude is even more galling at a time when Japan is growing rapidly in economic power and self-confidence. The Japanese are increasingly sensitive to indications that we accord Japan a subservient status, and they are looking for signs that we are willing to treat them as full and equal partners.

Japanese alienation can only be harmful to our interests. If Japan feels insecure because of doubts about its alliance with the United States, it might feel called upon to build up its own military power and even develop a nuclear capability. Our failure to consult with Prime Minister Sato has weakened his authority, and further such slights could shake popular confidence in Japan's democratic institutions. Aggravation of United States-Japanese economic rivalries could deal a crippling blow to world trade and might lead Japan to turn its energies toward developing a regional economic hegemony in the Far East.

Japan is now at a crossroads. Some Japanese leaders are convinced that recent U.S. actions show that Japan must widen its diplomatic options and reduce its association with the United States. Nevertheless, there are signs that the Japanese Government still prefers a close relationship with the United States, if that is attainable. It has recently taken steps to incrase American-Japanese contacts through student exchanges and visits by parliamentary groups, scholars, and businessmen, in the hope that this may enhance American understanding of Japanese concerns and sensibilities.

Close cooperation is certainly in the interests of both countries. Japan still needs our help in providing for its own defense, both nuclear and conventional. A stable, prosperous Japan is essential to our hopes for lasting peace in Asia. Both countries want to maintain the trade from which each derives such great benefits.

We need to start now to dispel the distrust that has grown up between the United States and Japan. A Presidential visit would give real impetus toward building a constructive relationship. It would symbolize our concern for Japan and our recognition of the key position it occupies in Asia. It would provide an opportunity to overcome the misunderstandings generated by our China initiative, since the Japanese could hear from President Nixon personally about his talks in Peking. Most important of all, a President visit is the best way to demonstrate that we desire to treat Japan as a full and equal partner whose friendship and cooperation we consider essential in the effort to build a better world.

CORRECTIONAL MANPOWER AND EMPLOYMENT ACT OF 1972

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. ESCH) is recognized for 15 minutes.

Mr. ESCH. Mr. Speaker, today I have joined with Congressman DOMINICK V. DANIELS, chairman of the Select Subcommittee on Labor, in reintroducing the Correctional Manpower and Employment Act of 1972. This bipartisan bill is cosponsored by 38 Members of the House.

Mr. DANIELS and I originally introduced the correctional manpower bill on March 9, 1972, as H.R. 13690. We are pleased that so many of our colleagues have joined us in sponsorship of this important initiative. We invite further support from other Members who are concerned with changing our correctional institutions from schools of crime to genuine institutions of correction.

The annual cost of crime in America is staggering. Both the direct and indirect costs of crime have become an unnecessary burden upon Americans and every effort should be made to eliminate this waste of economic and human resources.

The direct cost of crime is unconscionable. Shoplifting losses ranged from 1 to 5 percent of retail sales, and retailers are spending approximately $1.5 billion for prevention equipment and services. Cargo and baggage losses from interstate transportation and travel total in the millions of dollars each year, while crimes attributable to drug abuse costs approximately $5 billion annually.

In addition to these more obvious costs of crime, there are equally high indirect costs. Lost wages, medical and related expenses for the victims of crime, as well as the immeasurable loss to the economy due to the reluctance and fear on the part of individuals to "go downtown," are just some of the most visible indirect costs. The total cost for maintaining criminal justice systems, for all levels of government, is estimated to be approximately $6 billion a year. A further indirect cost of crime comes about from the cost of maintaining correctional institutions. Our prisons are made all the more costly because of the high rate of recidivism which plagues our inmate population.

There are approximately 6 million arrests annually. Federal and State correctional institutions have approximately 200,000 inmates, with some 80,000 be-

ing released each year. In addition, local jails contain nearly 200,000 prisoners. Short sentences in local jails result in a high turnover rate for their inmate population. There are approximately 1 million adults and juveniles under the authority of correctional agencies which are outside formal penal institutions on either parole or probation.

An effective manpower training program for criminal offenders requires a high impact utilization of an extremely flexible delivery system. They must be capable of serving offenders inside correctional institutions as well as presentencing and post-release programs.

The average sentence served by offenders in Federal institutions is only 19.7 months. This means that the effectiveness of manpower training is even more critical if any inroads are to be made upon recidivism. Relevant training must be given the offender in a limited period of time. Nothing less than a comprehensive, concentrated manpower program can adequately train inmates or counteract the prison environment and the stigma of "offender" status placed upon ex-offenders in such a relatively brief period.

The correctional manpower bill is designed to provide immediate specific assistance to all correctional agencies in combating recidivism through an improved manpower training and employment opportunities program for offenders. A truly comprehensive proposal must also include consideration for the upgrading of correctional personnel employed by the various correctional agencies in supervising, training and counseling the offenders.

In 1971 there were over 120,000 employees working for correctional institutions and agencies. States employ 73 percent of these personnel, local governments 20 percent, and the Federal Government 7 percent. A profile of correctional employees indicated that 83 percent are male with a median age of 42.8 years; 87 percent are white; and the median length of employment in corrections is 8.8 years. Recent studies also indicate that the educational level of correctional personnel who deal directly with the inmate on a day-to-day basis is low, especially in State and local correctional institutions.

The final report of the Joint Commission on Correctional Manpower and Training summarizes existing recruitment methods, which amply states the critical need for reform in the area of correctional personnel:

> Recruitment of correctional personnel is ordinarily carried out in an uncoordinated and haphazard manner. Most applicants seem to be of the drop-in, write-in, or referred-by variety. Correctional agencies seldom seek applicants actively, and there is no one established mode of entry into the correctional system.

The correctional manpower bill provides for grants to correctional agencies for recruitment and training programs as well as programs to improve the morale and effectiveness of correctional personnel.

I am hopeful that our proposal will go a long way toward improving our correctional system. I am convinced that our approach will mean significant savings in future years.

SETTLEMENT OF EMERGENCY LABOR DISPUTES IN THE TRANSPORTATION INDUSTRY

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. HARVEY) is recognized for 5 minutes.

Mr. HARVEY. Mr. Speaker, as I am sure you are aware, I have introduced legislation on numerous occasions during the past year to create permanent mechanisms for the settlement of emergency labor disputes in the transportation industry. This legislation has received the bipartisan support of 76 cosponsors. Yesterday, I sent these Members a letter outlining a few of the events that have occurred since the Subcommittee on Transportation and Aeronautics of the House Committee on Interstate and Foreign Commerce voted 6 to 5 to defeat this legislation early in March.

It is clear from the facts that our Nation is currently facing several potential emergency transportation disputes. The dock workers have threatened a walkout because the Pay Board has reduced their settlement; two Presidential emergency boards, which expire on May 31, have been unable thus far to settle disputes between the Penn Central and the United Transportation Union and between the sheet metal workers and all the railroads, making the threat of a major rail strike very real indeed.

Clearly, unless this Congress faces its responsibilities to the American people and passes emergency strike legislation soon, the Nation will face renewed and crippling transportation strikes. Conceivably, the docks and the railroads could be shut down simultaneously, and the President will be forced to seek ad hoc, back-to-work legislation for the 10th, 11th, and 12th time in 8 years. While such action might eliminate the visible symptoms, it will not solve the problem for long. We need permanent legislation, and we need it now. Without it, the Nation will face one crisis after another, and Congress will be forced to consider even more ad hoc legislation.

I would like to share this letter with all Members of the House. I hope, when they read it, they too will understand the pressing need for permanent strike legislation. I insert this letter at this point in the RECORD:

> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., May 9, 1972.*
>
> DEAR COSPONSOR: It has been more than two months since the Transportation and Aeronautics Subcommittee of the House Interstate and Foreign Commerce Committee voted down, 6–5, our proposal to establish permanent transportation emergency strike legislation. I would like to bring you up to date on the events that have occurred since that vote and to inform you of potential transportation strikes that are currently facing the nation.
>
> (1) The Pay Board only yesterday reduced the settlement of the East and Gulf Coast longshoremen, just as they had previously trimmed the West Coast contract. In its action, the Pay Board cut the International Longshoreman's Association wage settlement from 12.1% to 9.8%. Prior to the Pay Board decision, the ILA had threatened a renewed strike if their contract was reduced, and the West Coast longshoremen have indicated that they would support this walkout with one of their own. Thus, the nation could face a complete dock shut down within the next few days.
>
> (2) The President, on March 31, created Presidential Emergency Boards under the Railway Labor Act to postpone, for 60 days, two threatened rail disputes. One, which is considered the more serious, involves the Sheet Metal Workers and the railroads and their dispute over wages and work rules. A Presidential Board has recommended a 42% pay increase, similar to that received by other rail unions and agreed to by the railroad management; the Sheet Metal Workers, on the other hand, are demanding a 52% increase.
>
> The second dispute involves the United Transportation Union and the Penn Central Railroad. This dispute centers on the Penn Central's efforts to reduce the size of its train crews, a move the railroad claims will save it $100 million annually. UTU officials, however, say that such trimming will cost the union 6,000 jobs. Both rail disputes could result in a railroad strike as early as June 1.
>
> (3) The Senate Labor Committee has been moving ahead in its attempt to report out some form of permanent strike legislation. Senators Jacob Javits and Robert Packwood have been working actively to reach a compromise solution, and Senator Harrison Williams, the Committee Chairman, has promised that a bill will reach the Senate floor by the end of May. The Senate Committee has been considering many of our alternatives, and I will continue to keep you posted on major developments in the other body.
>
> (4) On March 15, I took a special order to discuss Emergency Strike legislation on the House floor (page 8516). More than 25 colleagues joined in this special order and I hope we were successful in making members of the House aware of the grave situation this country faces if emergency strike legislation is not adopted in the very near future.
>
> Again, let me thank you for your support. I will keep you informed on future developments in this very vital area.
>
> Sincerely,
>
> JAMES HARVEY,
> *Member of Congress.*

THE 14TH AMENDMENT AND HUMAN LIFE

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, last week a colleague inserted in the RECORD a lengthy collection of arguments favoring unlimited abortion. The clamor for unrestricted abortion involves much more than a single issue. Already some groups and individuals have gone beyond abortion on demand to calling for abortion as a means of population control and some even suggest euthanasia or mercy killing for the aged. The entire critical question of the right to life is at stake.

I believe that the recent cry for unlimited legalization of abortion, like that for legalization of marihuana, is an abdication of our responsibility to find valid solutions to the problems of society which make these measures seem acceptable alternatives. We are in effect "copping out" on a tough situation. We are in effect also saying that if a problem cannot be controlled, if an ill in society is prevalent or has a degree of acceptabil-

ity, if "everyone is doing it," we might as well make it legal. Then it can be crossed off our list of problems to be solved and go on to something else. This path leads only to moral bankruptcy.

Mr. Speaker, many of us here in Congress were shocked to see billboards last year only two blocks from the Capitol advertising abortion services in New York State. No one can deny the need for therapeutic abortions under defined conditions, but I believe the present New York State abortion law, which permits abortion virtually on demand, should be revised. In New York State alone in 1971, abortion deaths totaled approximately 250,000 or 685 per day, five times more deaths than have occurred in the entire Vietnam war.

Respect for life must be a basic tenet of our society if we are to survive. Since even doctors cannot agree when life becomes present, it is apparent that if the constitutional rights of the unborn are to be protected, much more research is urgently needed concerning the life-and-death issue of abortion.

Mr. Speaker, in the April 15 issue of America, Paul R. Gastonguay discusses the facts which legally determine whether the human embryo is a human being and thus protected by the fifth and 14th amendments of the U.S. Constitution. I commend this article to the attention of my colleagues. I also include for the RECORD an outstanding research paper, "Modern Science and the Human Fetus," by James N. Devlin and some distinguished academicians and medical doctors from the University of Buffalo:

THE 14TH AMENDMENT AND HUMAN LIFE

(By Paul R. Gastonguay)

(NOTE.—Paul R. Gastonguay, an assistant professor of biology at Stonehill College, North Easton, Mass., is the author of "Evolution for Everyone," a book to be published this fall by Bobbs-Merrill.)

In a decade massively, and somewhat in panic, devoted to the establishment of personal freedom where freedom has been denied, large numbers of American citizens have become convinced that the right to abortion should be one criterion of a true democracy.

This growing attitude exploded in 1967, when the state of Colorado enacted the first liberal abortion law, allowing abortions for expanded therapeutic reasons. But the original regulations and restrictions advocated by abortion proponents themselves have now been almost completely overruled, leading to nontherapeutic abortion on demand in several of our states.

One question emanating from this rapidly growing movement—a movement growing, unfortunately from a legal point of view, almost solely under the momentum of emotion—is in immediate need of an answer. Is the human embryo or fetus a human being? This is, legally, the one question that must be answered first and foremost: it must become known if the human embryo or fetus is indeed a member of the human species, thus entitled to the benefits of the 5th and the 14th Amendments of our Constitution.

To answer this question, people of varying professions and training have resorted to countless avenues. And because any attempt to define any living thing, other than via the field of biology, must be subjective, there has resulted a panorama of definitions. As a consequence, an embryo is now considered human in some states, and not in others. Further, the actual time of onset of human life is legally different in our different states—in some, the human embryo is said to become human at 12 weeks of development: in others, at 14; or at 16, 24 and so on. One state, Oregon, ties the event to a specific day, at 150 days of development. Clearly, either state lines affect the onset of humanity and of subjection to constitutional rights, or else we are terribly and perilously confused.

The criteria utilized to attempt to define this time range from conception, to implantation, to the first heart beat, to the onset of brain wave activity, to quickening, to viability. Yet no one knows what any such parameters really mean—if and how they delineate "human" life from "nonhuman" life. A legislator may arbitrarily select a time—14 weeks of pregnancy, 24 weeks, or the like—then if he encounters too much resistance to the initial form of his bill he, again arbitrarily, reduces the time for permissible abortion by a few weeks. Such a toss-up for the sake of the legislative success of a bill is purely subjective, and without any scientific and factual bases.

What then is factual? What does mankind know, beyond any doubt, about the process of human development? When does human life begin?

1. To define "human" by any criteria other than biological is to base ourselves on speculation, faith or subjectivity; and all such approaches are, by definition and admittedly, unprovable. As individuals, we may of course believe in any such criteria; but they must not be utilized in the legal wheels of a democracy.

2. The human conceptus, at whatever stage of development, is "living," by any definition of science. The question is then whether this living creature belongs to the human species or not, i.e., is it "human" life?

3. All living things—rose bushes, frogs, spiders, birds, apple trees or people—are classified under "species" by the biologist. For example, the tadpole, or frog "fetus," belongs to the species "frog," and to no other.

4. It is in part the hereditary make-up of any animal or plant that provides it with its traits—its form and appearance, its behaviors, likes and dislikes—and it is by analysis of such traits that the biologist then classifies an animal or a plant as being a member of a given species.

5. The human conceptus, from the time it is one-celled to the time it dies, perhaps some 70 years later, has the hereditary make-up, the genes, that characterize it as belonging to the species *homo sapiens*, and to no other. Biologically speaking, the one, provable, basic difference between man (at the stage of the fertilized egg, or at any other stage in development, before or after birth) and any other living species of animal or plant is the gene make-up of his cells. All other biological differences result from this one basic difference.

6. The "human" genes described above bring about human traits, subject to environmental effects—a "human" liver, a "human" brain, a "human" set of behaviors, a "human" umbilical cord—*in successive stages*. The reproductive organs become functional at about age 12, and cease in the female at about age 45. Body growth ceases at about age 20. Bed-wetting ceases at some time prior to age 2. Some teeth grow at about age 1, and fall at about age 5. Necessary heart wall closures and lung expansion occur at the time of birth. Brain activity begins at about 6 weeks of development. Heart action begins at about 25 days of development. Cell division begins a few hours after conception. Clearly then, a "human" life consists of progressive stages of development, biological and psychological, in part initiated and controlled by the hereditary make-up of all cells in this organism. Some such traits are not evident in the early embryo, some are not evident in the nine-month fetus; some are not evident in the new-born child; some are not evident until puberty; some are not evident until the menopause.

If we are to define "human" life at all, therefore, we must resort to facts. And, unfortunately perhaps, the only facts that are legally indisputable at this time are in the realm of biology. The human embryo, fetus, baby, child, teen-ager, adult, old man are all members of one species, because of their genetic make-up. To assert that constitutional privileges apply only to certain stages of this long process of development and maturation is to be speculative and uncertain. Such uncertainty is reflected in our legal apparatus in many ways. The unborn is granted privileges of inheritance, of suing for injury, of guardianship; yet he is denied the privilege of life in hundreds of thousands of instances. It would seem that the only recourse is to interweave our Constitution's intent with biological reality, and not limit the right to life only to those stages of human development that we can see and readily recognize as our offspring.

At one time, the baby was not considered human until birth. Later, as artificial incubation became possible, the time was set at eight months. Later, the magic transformation was set at seven, then six and a half months, as incubation became more efficient. Such arbitrary definitions, dependent on the availability of new machines, in effect mock the Constitution.

To say that one day or one week constitutes the difference between "human" life and "nonhuman" life is to be conveniently arbitrary. Such would be acceptable if no facts were available. But there are facts; biology provides them.

MODERN SCIENCE AND THE HUMAN FETUS

(By James N. Devlin, 1971)

(A summation of facts and experimental data, firmly established by modern science, which fully support the principles of continuity of life and continuity of species.

(Because of these principles, abortion must be classified as the act of taking the life of an existing human being.

(Author: James N. Devlin, B.S. Physics. Consultants: Richard Weber, Ph. D., prof. of Anatomy, University of Buffalo; James C. Dunn, MD., Surgeon and Associate Clinical Prof. of Anatomy, University of Buffalo; Chester A. Glomski, Ph. D., MD., Assistant Prof. of Anatomy, University of Buffalo; Joseph A Tomasulo, Ph. D., Asst. Prof. of Biology, Canisius College; Sarah M. Camiolo, Ph. D., Bio-Chemistry.)

I. Two distinct states exist in the life cycle of every species, the haploid and diploid. The *haploid state* consists of sperm or egg cells containing one-half of the organism's total chromosomes, and serving the chief purpose of transmitting the species genetic code. These cells are produced by a process called meiosis. The haploid cells unite, one from each parent at fertilization to form *one complete* diploid cell,[1] with *one* nucleus containing *one complete* set of chromosomes typical of the species and forming at that *instant* a unique new being.[2] This *diploid state* consists of living, reproducing, growing cells, dividing by a process called mitosis. This state forms a single, unified, cohesive entity called the organism and participates in a single unified and continuous process called life.[3]

II. The number of chromosomes in a nucleus is the same in *all* the cells in *all* the normal members of the same species.[4] The embryo at fertilization becomes a member of his species, the species of his parents. All the chromosomes are present from conception and contain the information necessary to build a complete organism.[5]

III. The Watson-Crick model of base pair-

Footnotes at end of article.

ing DNA structure is sufficiently supported by X-ray diffraction patterns, chromatography, electrophoresis, electron micrographs, radio-active tracer studies, Ion exchange, etc.[6] as to be considered a valid model for the genetic code.[7]

IV. The DNA code sequence totally identifies the embryo of each and every species.[8] This code sequence is chemically related to the proportions of nucleotides (bases) that constitute the code (see table 1). These proportions are easily determined through common laboratory techniques.[9] The ratio of the bases Adenine and Thymine to the bases Guanine and Cytosine respectively, (see table 2), completely determines the species membership of any cell or group of cells.

A/G or T/C is unique to a particular species. The cell is a living entity it is the nucleic acid that identifies it as a member of a certain species.[10]

V. The genetic code for the twenty amino acids has been determined. (see Tables 3 and 4). Out of these amino acids are built all the enzymes and proteins that exist now or have ever existed (figure 4a).[11] All enzymes and proteins of a particular species are unique to that species[12 13 14 15 16 17] and are an expression of its own genetic code (figure 4b).

VI. The popular myth that the embryo is a part of or an extension of the mother's body is untenable in the light of present day knowledge. It is a being in its own right because its genetic code[18] contains a random assortment of 23 chromosomes from each parent (figure 5) making its characteristics unique.[19 20] Mother and fetal circulations are independent, neither continuous nor contiguous, a fact known since the sixteenth century, (Arantius).[21 22 23 24] Almost never does mother and baby have the same blood type. In fact in certain instances the fetus must undergo a total blood transfusion because anti-bodies in the mother's own blood may kill it. The fetus has its own unique immunological response. Organ transplants between mother and child are as difficult as they are between any two unrelated individuals.

Indeed, if the fetus were an extension of the mother, containing her genetic code, all of her children would be identical and would look exactly like her. They would also be of the same sex, since the female carries no Y chromosome.

VII. No evidence exists nor is there any known experiment to show that the organism[25] in question, i.e. (the human embryo) is at any time undefined or undergoes a change of species.[26 27 28] This would involve a spontaneous change in its genetic code, and it has been established clearly, that the unique code of every individual exists from the moment of fertilization, until the natural death of the mature adult.[29] Similarly, there is no evidence that could substantiate that life begins at any time other than the moment of conception.[30] The myth that the fetus is simply a mass of tissue cannot be substantiated.

Specialized tissue cells only link with identical tissue cells, and from the onset of differentiation, we find many different kinds of tissue cells working together as a *single organized* and *ordered system*,[31] acting in concert toward a single goal, SURVIVAL. It is a system and behaves as a system, not as a collection of independent components. Even the sex of this tiny organism is already determined. It is ridiculous to speak of "he tissue" or "she tissue." In reality we can speak only of *he* or *she*.[32 33 34 35]

VIII. The foregoing facts firmly establish two principles, 1—the continuity of life, and 2—the continuity of species.

1. Continuity of life. The cellular development process begins with the first cell division and continues until the organism dies. There is no discontinuity in the diploid state of any organism.[36 37 38 39 40 41 42 43]

2. Continuity of species. The basic nature of the individual remains constant throughout the life of the organism. The organism belongs only to that species that is determined by its own genetic code and this code never changes.[44 45 46 47 48 49 50]

The liberalized abortion law ignores all of this evidence because it denies that the embryo is a human being. Denying the human nature of the fetus is in direct contradiction to all the factual data of modern science.

Many scientists may feel, for *personal* reasons, that taking the life of an innocent human being is justifiable, but they cannot in any way deny that it is a human being.

The question of taking the life of an *innocent human being* without due process may be a matter for the courts to decide, but there can be no doubt that it is a *human life* that is at stake. The taking of an innocent human life is the classical definition of murder.

TABLE I. SUMMARY OF MOLECULAR GENETICS

1. Sequence of amino acids in protein molecule is determined by sequence of bases in region of a particular nucleic acid molecule.

2. (A) The 4 bases in the DNA (desoxyribonucleic acid) molecule are: Adenine, thymine, guanine, and cytosine.

(B) In RNA (ribonucleic acid), uracil is substituted for thymine.

3. There are approximately 20 amino acids, which constitute the building blocks of protein.

4. The sequence of bases that determine the structure of the 20 amino acids occurs in triplets. There are a total of 64 triplets.

5. Triplets in the RNA molecule are situated on short RNA strands called messenger RNA.

6. A triplet codes one amino acid and is known as a codon.

7. In general, more than one triplet codes each amino acid.

8. The code is probably universal, being much the same in all living organisms.

9. Substitutions of certain amino acids in the protein chain account for variations among different species.

TABLE 2.—RATIOS OF A/G AND T/C (MOLAR)—ANIMALS

Man (thymus)	1.47	1.75
Ox (thymus)	1.29	1.43
Sheep (spleen)	1.26	1.36
Goat (sperm)	1.31	1.30
Horse (spleen)	1.29	1.37
Rat (bone marrow)	1.34	1.39
Salmon (sperm)	1.43	1.43
Trout (sperm)	1.32	1.36

TABLE 3.—*Amino acid—RNA code words*

Alanine—GCA, GCC, GCG, GCU.
Alginine—AGA, AGG, CGA, CGC, CGU, CGG.
Asparagine—AAC, AAU.
Aspartic acid—GAC, GAU.
Cysteine—AGC, AGU, UGA, UGC, UGU.
Glutamic acid—GAA, GAG.
Glutamine—CAA, CAG.
Glycine—GGA, GGC, GGG, GGU.
Histidine—CAC, CAU.
Isoleucine—AUA, AUC, AUU.
Leucine—CUA, CUC, CUG, CUU, UUA, UUG.
Lysine—AAA, AAG.
Methionine—AUG.
Phenylalanine—UUC, UUU.
Proline—CCA, CCG, CCU.
Serine—AGA, AGC, AGU, UCA, UCC, UCG, UCU.
Threonine—ACA, ACC, ACG, ACU.
Tryptophan—UGG.
Tyrosine—UAC, UAU.
Valine—GUA, GUC, GUG, GUU.
Punctuation marks—UAA, UAG.

NUCLEOTIDES (BASES)

A=Adenine (Adenylic Acid).
U=Uracil (Uridylic Acid).
C=Cytosine (Cytidylic Acid).
G=Guanine (Guanylic Acid).

TABLE 4.—*The building blocks of life*

6 letters—
Elements:
1. Carbon
2. Hydrogen
3. Oxygen
4. Nitrogen
5. Sulfur
6. Phosphorus

Combine to form 10 monosyllables—
Molecules:
1. Methane
2. Ammonia
3. Water
4. Hydrogen Sulfide
5. Carbon Dioxide
6. Hydrogen Cyanide
7. Carbon Disulfide
8. Acetylene
9. Formaldehyde
10. Ethylene

Combine to form 15 polysyllables—
Groups:
1. Methyl
2. Hydroxyl
3. Amine
4. Thiol
5. Carbonyl
6. Disulfide
7. Carboxyl
8. Amide

Rings:
1. Benzene
2. Furane
3. Pyrrole
4. Imidazole
5. Indole
6. Pyrimidine*
7. Purine*

Combine to form 22 words—
Amino acids (see Table III).
Combine to form millions of sentences—
Proteins.

*Two very special groups are the pyrimidine and purines for these are the nucleotide bases DNA and RNA.

DNA (RNA): Purines: Adenine, Guanine/ Pyrimidines: Thymine, Cytosine (Uracil).

FOOTNOTES

[1] "The Structural and functional unit of most living matter is the cell. It is a matter of observation that all cells are produced by other cells and that in the daughter cells the same structures are reproduced as were found in the parents cells."—"Cells," E. H. Mercer—Doubleday Anchor, 1962.

[2] "—All organisms, however large and complex they may be when full grown, begin life as but a single cell. This is true of the human being, for instance, who begins life as a fertilized ovum."—"The Genetic Code," Isaac Asimov—1962 (Page 20).

[3] "The cell is the unit of life, and although an organism may be made up of many trillions of cells, all the properties and characteristics of the organism can be traced back to the functions and activities of one group of cells or another, or some combination of groups."—"The Genetic Code," Isaac Asimov—1962 (Pages 18–19).

[4] "Most Somatic cells (body or vegetable cells) are diploid. Thus the nucleous of each body cell in a man or a woman, contains 46 chromosomes. The diploid chromosome number of the privet plant is also 46. This does not make privet cells human—it is the nucleic acid content that counts, not the chromosome number in itself. Each chromosome in the monoploid set is identifiable by its length and shape. Its nucleic acid controls particular traits in the organism. Since body cells are diploid each chromosome has a matching partner."—"Biology, an Inquiry into the Nature of Life"—Weinburg Allyn and Bacon, Inc.—1971 (Page 352).

[5] "You are composed of trillions of cells now, but at one time in *your* life *you* were just one single cell."—"You and Your Cells," Leo Schneider, Harcourt, Brace and World Inc.—1964 (Page 101).

[6] Contributors to DNA theory: 1953—Dr. James D. Watson—Biology—DNA model. 1953—Dr. Francis Crick—physics—DNA model. Fifties—Dr. Linus Pauling—Chemist—Theorized genetic code. Forties—Dr. Maurice Wilkins—Biochemist—X-Ray analysis of DNA. 1960—Dr. George Gamow—Physicist—proposed amino acid code. 1957—Dr. Arthur Kornberg—Chemist—Synthesis of DNA in laboratory.

[7] "DNA has been established as the genetic material because the Watson-Crick model provides an adequate explanation for duplication, mutation, and control of cellular activity."—"Fundamental Concepts of Biology," Nelson—Robinson—Boolootian. John Wiley and Sons, Inc.—1970 (Page 244).

[8] "The nucleic acid are the same in all living things; it is merely the differing sequence of nucleotides that spell out the differences among species and individuals." "The Language of Life," George and Muriel Beadle (Page 30).

[9] "Rebirth of liquid chromatography"—Dr. Robert E. Leitch and Dr. J. L. Kirkland—Industrial Research—August, 1970 (Page 36).

[10] "DNA has been called the secret of life. Actually DNA is only a chemical, though a remarkable one. It is never alive, except as a part of a living cell."—"Biology, An Inquiry into the Nature of Life," Weinberg.

[11] "DNA determines the nature of every living organism from the amoeba to man."—"The Genetic Code," Isaac Asimov—Signet Science Library, 1962 (Back cover).

[12] "An enzyme capable of catalyzing a particular reaction may be present in the cells of wolves, octopi, moss, and bacteria, as well as in our own cells. And yet *each of these enzymes*, capable though it is of catalyzing one particular reaction, *is characteristic of its own species*. They may all be distinguished from one another."—"The Genetic Code," Isaac Asimov—1962 (Page 28).

[13] "Even these (tissue: collagen, actomycin; proteins: Hemoglobin), however differ from one species to another. It is possible to produce antibodies to components of human blood, for instance, which will react only with human blood.—We can summarize it all by saying that each species has its characteristic proteins and enzymes; that each individual has them; that each cell has them."—"The Genetic Code," Isaac Asimov—1962 (Page 30).

[14] "The order of the amino acids in a polypeptide chain is peculiar to each protein and is responsible for its specificity; consequently, the assembly of all the specific proteins in a cell characterizes and distinguishes it from all other cells."—"Cells: Their Structure and Function," E. H. Mercer. Doubleday Anchor.

[15] "Individual Genes are not seen themselves but their presence is known by the presence of their products—enzymes."—"Human Gene Maps: A First Step Toward Genetic Engineering." (Describing work of Dr. Frank Ruddle of Yale U), by Barbara J Culliton. Science News—Vol. 98—Aug. 29, 1970.

[16] "It is possible to measure the dissimilarity (immunological distance) between two proteins. Results of such tests show that the albumins of homosapiens, chimpanzees, and gorillas differ from each other, in terms of immunological distance, by about 6 units, while those of homosapiens and Rhesus monkeys differ by about 38 units."—Drs. A. C. Wilson and V. M. Sarich, University of California (as reported in Industrial Research).

[17] "After the union of these two cells, a series of chemical events unfolds. All the information that is needed to ensure that a fertilized egg will develop physically into an authentic member of the parent's species must be present in that tiny and wonderful unit of matter. If the baby animal is to have fur rather than feathers, at its conception a sequence of chemical reactions is started that will lead to fur making rather than feather making. Each species possesses its own peculiar set of enzymes and hormones, even though some remarkable similarities exist, especially at the coenzyme level. Feathered creatures have different enzyme systems that generate the proteins of feathers from basically the same set of amino acids. Whatever the genetic message may be, whether a set of instructions to develop as a cowbird or a set to develop as a cow, it very likely concerns the generation of a distinctive enzyme system."—"Principles of Physical, Organic and Biological Chemistry," John R. Holum. John Wiley and Sons—1969.

[18] "It is, then, a reasonable guess that no two persons alive (identical twins excepted) carry the same genes. Every human being is a carrier of a unique, unprecedented, and probably unrepeatable gene complex."—"Evolution, Genetica, and Man," Theodosius Dobzhansky. John Wiley and Sons—1961 (Page 34).

[19] "Biologists now know that every species of living thing has its own characteristic number of chromosomes."—"The Cell, Life Science Series," John Pheiffer. Time Inc.—1964 (Page 57).

[20] "Probably the greatest biological advantage of sexual reproduction is the increased variability that results from uniting the hereditary material of two organisms. This creates a truly new organism, similar but never identical to either parent."—"Fundamental Concepts of Biology," 2nd Ed.—Nelson, Robinson and Boolootian. John Wiley and Sons, Inc.—1970 (Page 179).

[21] "The body of the unborn baby is more complex than ours. Before he is born the baby has several extra parts to his body which he needs only so long as he lives inside his mother. He has his own space capsule, the amniotic sac. He has his own lifeline, the umbilical cord, and he has his own root system, the placenta. *These all belong to the baby himself* not to his mother. They are all developed from his original cell."—"The Secret World of a Baby," Day and Liley, 1968 Random House.

[22] "The belief that the blood of the pregnant mother is transmitted to the child in the womb, and thus becomes a part of the child, is ancient and wholly erroneous. Blood does not normally pass from the mother to the fetus. The blood cells of the mother are far too large (.0003 inch in dia.) to be able to pass through the placenta and so are the blood cells of the fetus. The fetus manufactures its own blood, and the character of its various blood cells, both structurally and functionally, is demonstrably different from that of either of its parents. These facts should forever dispose of the ancient notion that is so characteristically found among non-literate peoples, that the blood of the mother is continuous with that of the child."—"Human Heredity," Ashley Montague (Page 71). World Publishing—1963.

[23] "Now the embryo's own blood, circulating in the umbilical cord, removes the embryo's wastes to be disposed of by the mother. It brings food, oxygen, hormones, and other materials supplied by the mother. The exchange of materials takes place in the massive placenta, which is formed partly of maternal and partly of embryonic tissues. Here maternal and embryonic blood supplies circulate in two sets of villi separated by membranes. Materials diffuse across the membranes, or across by active transport. The embryo's freshened blood flows back through the cord. Generally blood from the two systems does not mix."—Biology, An Inquiry into the Nature of Life," Stanley Weinberg (Page 377). Allyn and Bacon, Inc.—1971.

[24] "A baby can be type A if the father is type A but mother is B. Baby can be A if father is A but mother is C. A baby can be B if father is B but mother is A, and a baby can be B if father is B but mother is C."—"As shown in Heredity," Universal Standard Encyclopedia Funk Wagnalls Unicorn Publisher—1955 (abridged) (Page 4298).

[25] "That, in fact, is precisely what the word "organism" means, an organized living entity, moreover, an *organized* living entity that functions to maintain organization and is opposed to all states or disorganization. Orderly and organized development is brought about as a result of the communication of the coded information contained in the living "tapes", the chains of DNA molecules. The genes are, as it were, the paragraphs in which the words or sentences are the nucleic acids."—"Human Heredity," Ashley Montague—(Page 34). World Publishing—1963.

[26] "An embryo of a higher animal is never basically like any other animal, only like the embryo of the latter." "In other words, the development of the embryo does not reproduce for our benefit the portraits of the near or remote ancestors."—"Evolution, Genetics and Man," Theodosius Dobzhansky (Page 238). John Wiley and Sons—1961.

[27] "In fish most of the gill-slit structure develops into gills and gill slits in the adults. The embryos of amphibia, reptiles, birds, and mammals also have gill slits, but these do not develop into gills (except in some of the amphibians). In later development, parts of these structures become modified into parts of the ear and parathyroid and thymus glands."—"Fundamental Concepts of Biology" (page 279). Nelson-Robinson-Boolootian. John Wiley and Sons—1970.

[28] "Early human embryos resemble those (embryos) of other vertebrates. They have the tail and the coat of embryonic hair common to other mammals. They have the same gill slits as fish embryos. But human beings are not fish; they never have actual gills, and they do not go through a fish stage. What embryos inherit from their ancestors is information concerning development. Human and fish embryos both have gill slits because both inherit the information that produces them."—"Biology, An Inquiry into the Nature of Life" (page 382). Weinberg. Allyn and Bacon, Inc.—1971.

[29] "The human species, Homosapiens (Latin homo, man; sapiens, wise), as well as every other living species, owes its existence to the fact that living organisms are able to make copies of themselves. These copies reproduce themselves into other copies, and in this way the species maintains its specific character, generation after generation. We say then that there is an *inbuilt specificity in the basic structure of every organism*, that the manifest characteristics of an organism, the phenotype, consist of an exact sequence of amino acids in protein—the genetic constitution, the genotype, consisting of a corresponding sequence of nucleotides in DNA. The little girl who when asked by her teacher, "What is it that an elephant has that no other animal has?" replied, "Little elephants," was of course, perfectly correct in terms of genetics, although the teacher wanted an answer in terms of anatomy. The reason that elephants have little elephants and not little animals of other sorts is because its information contained in the elephants genes is coded in such a manner as to produce copies of themselves."—"Human Heredity," Ashley Montague (page 45). World Publishing—1963.

[30] "The tissues of a wound not only grow when needed; they stop growing as soon as healing is completed. This illustrates another major feature of tissue development, an influence which is at work not only during embryonic existence but throughout the course of life. In the shaping of new organs and in replenishing the tissues of organs already formed, the phenomenom of growth is under strict control at every stage.—The study of cell development does not stop with the embryo or even with the shaping of the adult organism; it includes the *full sweep of*

life from beginning to end."—"The Cell," Life Science Library (Page 107).

[31] "The nervous system, the body's complex communications network, starts to develop during the third week." "Growth," Life Science Library (Page 46).

[32] "The two in the cell of a female are alike and are known as X—chromosomes. The two in the male cells are not alike; one is an X chromosome, as in the female, but its partner is different in shape and is termed a Y—chromosome. The four chromosomes segregate during meiosis and recombine at fertilization . . ."—"Fundamental Concepts of Biology" (Page 206). Nelson—Robinson—Boolootian. John Wiley and Sons—1970.

[33] "If the chromosome is an X, a female *has been conceived.* If it is a Y, a male *has been conceived.*"—"Growth," Life Science Library (Page 15).

[34] "Any fertilized egg, or zygote, resulting from a union of sperm and egg, will have received either an X or a Y chromosome from the sperm and always an X chromosome from an egg."—"Human Heredity," Ashley Montague (Page 34). World Publishing Company—1963.

[35a] "Although the infants sex is determined at the moment of conception, the reproductive system does not begin to develop until the second month. Once it does, however, progress is so rapid that the differences between the sexes are unmistakable by the time the embryo has become a fetus."—"Growth: Life Science Library" (Page 55). Tanner and Taylor, Time Inc.—1965.

[35b] "Even the multitude of complex, special cells which make up the body of a human being are reproduced from the *continued* division of cells *all* of which originally came from a single cell; the fertilized egg, or ovum."—"The Science of Life" (Page 139). Lois Darling. World Publishing Company—1961.

[36] "Each new life must somehow inherit a *complete* set of instructions for its form and function."—"The Science of Life" (Page 140). Lois Darling. World Publishing Company—1961.

[37] "The majority of our group could find no point in time between the union of sperm and egg or at least the blastocyst stage, and the birth of the infant at which point we could say that this was *not a human life*:—the changes occurring between implantations, a six-week's embryo, a six-month's fetus, a one-week-old child, or a mature adult *are merely stages of development and maturation.*"—First International Conference on Abortion, Washington, D.C.—October, 1967.

[38] "The microscopic blob of jelly called the cell is a remarkable entity. The most remarkable thing about it is the very fact that it is alive—not with a murky primordial glow, but as fully and vibrantly alive as a tiger, or an oak tree. In a remarkable miniaturization of life's functions, the cell moves, grows, reacts, protects itself and even reproduces."—"The Cell", Life Science Library (page 16).

[39] "The uniting of two gametes is only the first step in the formation of any complex animal or plant. From worm to man, what begins as a simple cell capable of replication through mitosis must differentiate into the specialized cells which constitute and control the organs of nervous and muscular function, circulation, absorption, and excretion. The architect and engineer of organismic structure is the hereditary material which controls the heritage of a species and directs the operation of each individual organism.

"DNA is the primary constituent of chromosomes and is now accepted as the basis of gene activity. The major function of genes in the non-reproducing cell is the production of enzymes which regulate cellular structure and function through their initiation and control of chemical reactions. Gene activity also controls the differentiation of structure which occurs in multicellular organisms. Again this process is carried out through enzymatic activity. Genes not only produce these enzymes, they also regulate their production so that only appropriate reactions occur at specific times. This control mechanism, which lies at the basis not only of self-regulation, but also of differentiation in organisms all of which contain exactly the same genes in every cell. It is this regulatory mechanism which makes it possible for an undifferentiated zygote to develop into the total organism made up of an array of highly specialized organs."—"Evolution and Human Behavior," Alexander Alland, Jr., American Museum Science Books—1967.

[40] "Cells are organisms and entire animals and plants are aggregates of these organisms arranged according to definite laws. All subsequent investigations into the role of the cell were launched from this solid base line experimentally established by Schleider and Schwann."—"The Cell," Life Science Library (Page 9).

[41] "Every human being starts off as a fertilized egg."—"Human Heredity," Ashley Montague (Page 23). World Publishing Company—1963.

[42] "It has been calculated that only about 44 divisions are necessary to bring into being the number of cells present at birth, and only four more divisions are required to bring about the adult number. At fertilization *you* weighed about fifteen 10 millionths of a gram; at birth (if you were a seven pound baby) *you* weighed 3,175 grams. In the nine months from conception to birth *you* increased *your* weight 2 billion times. Adults weigh about 50 billion times as much as *they* weighed at fertilization."—"Human Heredity," Ashley Montague (Page 25). World Publishing Company—1963.

[43] "Cleavage consists of the first divisions of the zygote, which are carried out with little intervening time. The number of cells greatly increases but the total amount of protoplasm remains the same as it was in the zygote.—Differentiation, the specialization of cells and tissues, occurs with morphogenesis. In fact, the two are parts of the same process of development and we separate them only for descriptive purposes."—"Fundamental Concepts in Biology."

[44] "Most animals conform to the basic life cycle plan shown." (See Figure 1). "Here a haploid egg and sperm nucleous unite to form a diploid zygote. The zygote matures into another gamete forming generation and so the life cycle continues."—"Fundamental Concepts in Biology" (Page 184).

[45] "Sexual reproduction, as we have seen, is characterized by the uniting of two haploid nuclei which brings together hereditary material (DNA) from two parent organisms. The result, a zygote, then develops under the control of this DNA material. It will not be identical to either parent but instead will be a new, and in a sense, unique organism. Consider for a moment the differences between children of the same parents and you can gain some notion of the concept of individual differences. On the other hand, the zygote invariably develops into something quite similar to its parents. We can predict with certainty that dogs will produce puppies and human beings will beget human beings."—"Fundamental Concepts in Biology" (Page 193).

[46] "Every living cell is the result of the division of a pre-existing cell. All the cells of a human being, for example, result from the repeated division of a single cell, called the zygote, which was formed at conception."—"Heredity," Encyclopedia (Page 4292).

[47] "A human being begins his existence when a spermatozoon fertilizes an egg cell.—Indeed, the human body, whether an embryo or adult, tranforms food not merely into human flesh but into an individual who resembles his parents and relatives more or less closely."—"Evolution, Genetics, and Man" (Pages 10–11).

[48] —life arises only from pre-existing life."—"Evolution, Genetics, and Man" (Page 16).

[49] "Every species of organism reproduces itself."—"Evolution, Genetics, and Man" (Page 23).

[50] "Species, on the other hand, are genetically closed systems, since they exchange genes rarely, or not at all."—"Evolution, Genetics, and Man" (Page 165).

[51] "The development of the organism is due to all the genes acting together in concert. All the genes which the organism has interact with the environment, and in so doing they make the fertilized egg develop by stages into a fetus, an infant, a child, an adolescent, an adult, an old man or an old woman, and finally a cadaver."—"Evolution, Genetics, and Man" (Page 35).

FEDERAL FOOD PROGRAMS FOR NEEDY CHILDREN

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 15 minutes.

Mr. QUIE. Mr. Speaker, yesterday Chairman PERKINS of the Committee on Education and Labor introduced for himself and for Mr. PUCINSKI and myself a bill—H.R. 14872—designed to carry out the President's recommendations for expanding and improving the operation of the National School Lunch Act and the Child Nutrition Act of 1966. Today, I am joining with additional colleagues in reintroducing this legislation. I am certain that many other Members on both sides of the aisle will wish to be associated with the legislation at some stage in its consideration.

On May 6 President Nixon in a statement very concisely outlined the purposes of this bill and certain other steps he is taking to expand Federal food programs for needy children. The President said:

I shall propose to the Congress next week a three-part program to expand and improve Federal efforts to provide food for needy children.

First and most important, I shall submit a comprehensive school nutrition bill to revise and reform the present school lunch and school breakfast programs—so that incentives will be provided for expanding these programs and so that each dollar spent on them will do more good.

Second, I will also ask that an additional $25 million be allocated for feeding needy children in our cities this summer.

Third, I will request an additional $19.5 million to extend the school breakfast program to some 3,000 additional schools in the coming year.

In order to maintain budget discipline, I have directed the Secretary of Agriculture to offset these added expenditures by an equal amount—$44.5 million—in other areas so that the department's outlays will not be increased by this decision.

At the same time, I am instructing the Secretary of Agriculture to work with States and cities to improve local program administration in order to eliminate the severe mismanagement that marred these programs in some cities last summer.

The additional $19.5 million for the school breakfast program would bring total funding for this program in the coming school year to $52.5 million, compared to $31 million in the school year now ending. This new money would make it possible to accept applica-

tions from all the schools indicated in State plans of operation as potential candidates for establishing breakfast programs.

It was just 3 years ago, on May 6, 1969, that I sent to the Congress my first message on hunger and malnutrition. I noted in that message that America has long shared its bounty with hungry peoples in all parts of the globe, but that now "the moment is at hand to put an end to hunger in America itself. For all time."

In the last 3 years, with the cooperation of the Congress, we have made immense strides toward reaching that goal. For example, the budget I proposed last January allocated 9 times as much money for food stamps and 7 times as much money for school lunches for needy children as was allocated in fiscal year 1969.

My new proposals would allow us to improve even further on our record of accomplishment. I urge the Congress to give early and favorable consideration to these important measures.

Mr. Speaker, there follows a section-by-section analysis of the bill:

SECTION-BY-SECTION ANALYSIS

SECTION 1

This section of the bill amends section 3 of the National School Lunch Act.

The change proposed by the bill would merge the separate appropriation authority for special assistance (now set forth in section 11 of the Act) with the appropriation authority for food assistance (now set forth in section 3 of the Act).

Other sections of the bill propose that Federal funding of both the section 4 and section 11 phases of the school lunch program be changed to a "performance" basis, i.e., that States would be guaranteed a specified average payment under section 4 for each lunch served and an additional average payment under section 11 for each free and each reduced price lunch served. A merging of the appropriation authorities for food assistance and for special assistance would add flexibility to the Federal funding structure without affecting the specified level of assistance to be guaranteed under each phase of the program.

It is intended that the annual appropriation request under the merged authority would indicate the estimated portion of the appropriation to be expended under each phase of the program, based upon the levels of the guaranteed payment and the projected number of total lunches and free and reduced price lunches to be served. The actual portion expended under each phase, however, would depend upon the actual number of total lunches and of free and reduced price lunches served.

SECTION 2

This section of the bill amends section 4 of the National School Lunch Act which currently specifies how available food assistance funds will be apportioned to the States. Section 4, as amended by the bill, would contain the special provisions of the Act concerned with the section 4 phase of the program: (1) the method of distributing funds to States; and (2) the purpose for which the funds are to be expended (moved from section 8 of the Act). Under the bill, the use of section 4 funds would not be limited to the cost of obtaining food. Such payments would be a general contribution to the schools' cost of operating a school lunch program. The method of distributing section 4 funds to States would be changed from an "apportionment" basis to a "performance" basis.

Under the present Act, an annual appropriation is authorized for section 4 purposes, to be apportioned to the States on the basis of a formula which takes into account the relative number of lunches served in each State in a prior period (two years prior to the year in which the funds are apportioned) and the relative need of the State as measured by its per-capita income. Each State then establishes per-meal rates of section 4 assistance to schools within the State, based on its apportioned share of the available funds for the fiscal year and the projected number of lunches to be served in that year.

The use of a "relative need" factor in the distribution of section 4 funds was of most relevance prior to the time additional special assistance funds were provided to help finance free and reduced price lunches in all schools under the P.L. 91-248 amendments to the Act. Additionally, the use of past participation data in the formula, in effect, penalizes those States most in need of reaching additional schools. As a result, interstate differences in the per-lunch rates of section 4 assistance have become more a function of the apportionment formula than of a sound Federal financing structure. P.L. 92-153 was designed to partly alleviate this problem by overlaying the statutory apportionment formula with authority for the distribution of additional food assistance funds on a performance basis—assuring all States a minimum average payment of 6 cents per lunch in food assistance in the fiscal year 1972.

This bill proposes to permanently amend the National School Lunch Act by replacing the "apportionment-formula" method of distributing the funds with a "performance" method. Under it, each State would be guaranteed a prescribed average section 4 payment for each lunch served to children.

The bill would require the Secretary of Agriculture to prescribe and announce the level of the guaranteed average per-lunch payment (called National average basic payment in the bill) for each fiscal year. In submitting fiscal year budget requests, it is contemplated that the Secretary would inform the Appropriation Committees of the level of the guaranteed average payment upon which the budget request was based and that the Appropriations Committees would review the appropriateness of the proposed level in reporting out the Department's annual appropriation act for consideration by the Congress.

In no event would the annual amount of section 4 funds made available to a State be less than the amount of section 4 funds it received in the 1972 fiscal year.

Within the funds made available under the guaranteed average basic payment, each State educational agency would retain its present authority to adjust per-lunch rates of section 4 assistance for individual schools, within a maximum rate established by the Secretary for all States. A number of State educational agencies, for example, point out that it is desirable to provide higher rates of section 4 assistance to secondary schools because, on the average, teen-age children should be served lunches containing larger portions than those contained in the lunches served to younger elementary-age children.

SECTION 3

This section amends section 5 of the National School Lunch Act which now authorizes a program of nonfood (equipment) assistance for schools.

The program authorized by section 5 has not been funded since 1947. However, the Child Nutrition Act of 1966 does authorize an equipment assistance program and this bill proposes changes in that authority to increase its effectiveness. This bill, therefore, would eliminate an authority that has been inoperative and is no longer needed.

Section 5 of the Act, as amended by this bill, would bring together existing provisions of the Act concerning agreements between USDA and State educational agencies and methods of paying Federal funds to States—provisions that now appear in portions of sections 7 and 11 of the Act. In moving these provisions to section 5 of the Act, no substantive changes are proposed. However, in making payments of section 4 and section 11 funds to States, the Department of Agriculture would need to take into account that section 8 of the Act, as amended by this bill, would authorize States to disburse funds to schools on either an advance or reimbursement basis.

SECTION 4

This section of the bill amends section 6 of the National School Lunch Act which is concerned with certain direct Federal expenditures under the program.

It was necessary to make technical changes in the language of section 6 in view of other provisions of the bill which place sections 4 and 11 funding on a performance basis. It is intended that the Secretary would request a single appropriation to cover the specified direct expenses but the request would indicate the estimated use of the requested sums for (1) Federal administrative expenses; (2) for nutritional training and surveys; and (3) for direct food procurement.

SECTION 5

This section of the bill amends section 7 of the National School Lunch Act which now principally deals with the matching of Federal school lunch funds by funds from sources within the State. Since 1956 each dollar of Federal section 4 assistance funds was required to be matched by $3 of funds from sources within the State (including payments made by children for fully paid or reduced price lunches). P.L. 91-248, effective for fiscal year 1972, required that State revenues constitute a certain percentage of the matching funds. The 3 to 1 matching requirement has been eliminated and the matching out of State revenues has been applied as a percentage of payments to States under sections 4 and 11 of the School Lunch Act and section 4 of the Child Nutrition Act of 1966. The changes proposed are designed to clarify certain areas of the matching requirement that are unclear, or have proved to be unworkable under present law, and to alleviate developing problems with the requirement for State revenue matching when State educational agencies administer the school-lunch program in nonprofit private schools.

Under the bill, States would place in jeopardy full payments made to them under sections 4 and 11 of the School Lunch Act and section 4 of the Child Nutrition Act if they failed to meet the matching requirement. If, for example, a State was determined by the Secretary to have met only 90 percent of its required matching from State revenue, the State would be required to repay 10 percent of all the school lunch and breakfast funds paid to it for that fiscal year.

Since under the bill all matching would be met out of State revenues there would be legal barriers to including payments of Federal funds to nonprofits private schools in determining the State's matching requirement. The matching requirement, therefore, only applies to public schools. To complete the restructuring of the matching requirements, the special matching provisions in the last sentence of section 9 of the Act—which now apply only to nonprofit private schools in which the program is directly administered by the Department of Agriculture—would be eliminated.

The bill also recognizes that the proposed performance basis for funding the program would mean that State Legislatures could not know, at the beginning of the fiscal year, how much State revenue would need to be appropriated each year to meet the matching requirement. To alleviate this problem, the bill provides that the amount of State revenue matching would be calculated upon the previous year's use of Federal funds under sections 4 and 11 of the School Lunch Act and section 4 of the Child Nutrition Act.

The proposed bill also changes the language of the present Act concerning the guidelines to be used by States in expending the State matching revenues. The present language of the Act is designed to provide that each participating school should receive the same proportionate share of such State funds as it receives of the Federal funds made available to the State under the food and special assistance phases of the lunch program, the breakfast program, and the program of nonfood assistance. Operating experience since the passage of P.L. 91–248 has indicated that this is a wholly impractical requirement. A State cannot really insure such a use of State revenues unless it withholds their distribution until after the end of the fiscal year. More importantly, this requirement could render questionable such desirable uses of State revenues as the provision of funds to local school systems to permit such systems to hire supervisory personnel or the reserving of some State revenues for the exclusive use of needy schools.

SECTION 6

This section amends section 8 of the National School Lunch Act which now provides for agreements between State educational agencies and schools to which section 4 funds are to be disbursed.

The bill provides that the agreements would cover the disbursement of both section 4 and section 11 funds and would authorize State educational agencies to disburse such funds to schools on either an advance or reimbursement basis. Currently, the Act authorizes only the reimbursement basis and this is an especial hardship on the school serving a very high percentage of free and reduced price lunches. The bill contemplates that the Federal regulations issued by the Secretary would prescribe the general procedures under which State agencies could make the newly authorized advance disbursements. It is intended that such advances would be reasonably related to the expected payments to be earned by the schools for the number of lunches that would be served; that within each fiscal year the amounts advanced would be periodically adjusted, based upon monthly claims submitted by schools for the actual number of lunches being served; and that the advance-and-settlement cycle would be completed within each fiscal year for which advance payments are made to a school.

Under this bill, the provisions now set forth in section 8 of the Act, which deal with the type of assistance authorized under section 4 of the Act, would be moved to section 4.

SECTION 7

This section of the bill amends section 9 of the National School Lunch Act. Section 9 of the Act now: (a) Prescribes the nutritional standards to be established under the program; (b) sets forth provisions with respect to the service of free and reduced price lunches; and (c) outlines other program requirements concerning nonprofit operations, utilization of Federally donated foods, etc. The bill reorganizes the numerous provisions of the section into three subsections. The new subsection 9(a) deals with the nutritional standards and its provisions have not been changed. The new subsection 9(b) deals with the service of free and reduced price lunches and the bill makes substantive changes in these provisions. The new subsection (c) deals with a number of miscellaneous program requirements.

Under the changes in section 9 proposed by this bill, the Secretary of Agriculture would continue to prescribe an income poverty guideline and it is intended that such a guideline generally conform with the Poverty Index published by the Bureau of the Census. The Secretary's poverty guideline would be the minimum Federal mandatory eligibility standard for a free lunch. Currently, such guideline is the minimum mandatory standard for a free or reduced price lunch.

The bill also establishes guidelines under which States may elect to establish income eligibility standards for free lunches and reduced price lunches at levels higher than the mandatory minimum Federal standard.

Each State educational agency would prescribe the income guidelines, by family size, to be used by schools within the State in determining those children eligible for a free lunch. It is intended that a State could establish a single set of family-size income guidelines for use by every school within the State or the State could establish a range of family-size income guidelines within which each school could elect the specific income guidelines it would use. By family size, the income guidelines established by the State educational agency for free lunches could not be more than 15 percent above the Secretary's income poverty guideline.

Under the bill, schools could elect to also offer lunches at a reduced price to children from families with incomes above those that would qualify for free lunches. If the school elects to serve reduced price lunches, the income guidelines for eligibility, by family size, shall be no more than 30 percent above the Secretary's income poverty guideline. The price of such a reduced price lunch could not exceed 20 cents, the limitation now set forth in the Act.

Currently, schools are mandated to consider a third factor in their eligibility standards, i.e., the number of children in the family attending school or service institutions. State officials have almost uniformly reported the complexity of a three-factor eligibility standard makes it difficult both to explain the required standard to local school officials and to insure that families fully understand their children's eligibility. The use of a two-factor formula—income and family size—is deemed to be equally effective in reaching needy children.

The bill would require the Secretary of Agriculture to announce each year's income poverty guideline no later than May 15 of the preceding fiscal year in order to provide States with a desirable leadtime in which to prescribe their income guidelines for free and reduced price lunches and to inform schools of any changes in the guidelines. Once announced, the poverty guideline could not be reduced by the Secretary for the fiscal year for which it is effective.

SECTION 8

This section amends section 10 of the National School Lunch Act which deals with the direct Department of Agriculture administration of the school lunch program in nonprofit private schools when State law prohibits the State educational agency from assuming responsibility for the program in such schools.

The changes made in this section of the bill are those required to place the funding of both the section 4 and section 11 phases of the program on a performance basis for those nonprofit private schools for which the Department of Agriculture has direct responsibility.

SECTION 9

This section amends section 11 of the National School Lunch Act which deals with the special assistance phase of the program.

The section 11 special assistance phase of the program would be placed on a performance basis for Federal funding paralleling the method proposed for section 4 funds under the bill. Each State would be guaranteed an average payment for each free lunch served in a fiscal year and for each reduced price lunch served. As in the case of section 4 funds, the bill contemplates that the level of the guaranteed average payments (called National average free lunch payment and National average reduced price lunch payment in the bill) would be determined under the annual appropriation progress.

Although the total amount of the special assistance to be paid to a State in a fiscal year would be determined by the use of two National average payments (one for free lunches and one for reduced price lunches), it is not the intent of the bill that the State agency would be required to use the funds earned under the free-lunch average payment for free lunches and those earned under the reduced price lunch average payment for reduced price lunches. The State agency would have the authority to use the funds earned by the State under section 11(a) of the Act to vary rates of special assistance for free and reduced price lunches for the schools within the States as it deems will best accomplish program purposes, within national maximum per-lunch rates of special assistance payments established by the Secretary for all States.

Because of the revisions made by the bill in other sections of the Act (sections 5, 7, 8, and 10), subsections (c) through (g) of the present section 11 are no longer needed. The present subsection 11(h) would be redesignated as subsection 11(c).

SECTION 10

This section amends subsection (d) of section 12 of the National School Lunch Act which deals with the definition of terms used in the Act.

The definition of "State" is amended to extend the school-lunch program to the Trust Territory of the Pacific Islands which currently is eligible only for the Special Food Services Program for Children, and section 32 and section 416 food donations. The definitions of "nonfood assistance," participation rate," and "assistance need rate" are eliminated because they are no longer used in the Act as it would be amended by this bill.

SECTION 11

This section of the bill amends section 14 of the National School Lunch Act which establishes a National Advisory Council on Child Nutrition.

The bill would enlarge the membership of the Council by five persons. Two of the new members would represent those who are concerned with program operations and supervision at the local level—one from a rural school system and one from an urban school system. One of the new members would be the parent of a school-age child, who is intended to reflect the views and experiences of parents who take an active part in local organizations concerned with elementary and secondary school programs, especially school food service programs. The fourth and fifth new members would be students, one of whom would be eligible for a free or reduced price lunch.

SECTION 12

This section of the bill revises section 4 of the Child Nutrition Act which authorizes the operation of a school breakfast program.

Under the bill, the breakfast program authority would be permanent.

The principal change in the program proposed by this bill is to authorize a "performance" method of funding—paralleling that proposed in the bill for the school-lunch program. However, Federal funding of the breakfast program would be carried out under one account rather than the two accounts (section 4 and section 11) proposed for the lunch program. The funds made available to schools would be for the general support of the program.

Each State would be guaranteed an average payment for each breakfast served by participating schools (called the National average breakfast payment in the bill). Average payments would also be guaranteed for each breakfast served free or at a reduced price (called the average free breakfast payment and the average reduced price breakfast pay-

ment in the bill). As is the case for section 4 and section 11 school lunch assistance, the level of these guaranteed payments would be determined during the annual appropriation process. Within maximum Federal prebreakfast rates for basic free and reduced price assistance, the States would retain authority to vary rates of assistance between individual schools.

Under the provisions of section 4(e) of the Act, as amended by this bill, schools would be required to use the same eligibility standards for free and reduced price lunches and breakfasts and observe the same conditions concerning the public announcement of such standards and the use of a "statement-type" application.

SECTION 13

This section amends section 5 of the Child Nutrition Act of 1966 which authorizes a program of nonfood (equipment) assistance for needy schools with no, or grossly inadequate, equipment.

The bill would increase the authorized annual appropriation to a maximum of $20 million for each of the fiscal years 1973, 1974, and 1975, and would authorize a maximum of $10 million for each fiscal year thereafter. Currently, $15 million is the maximum authorization for the fiscal year 1973, and thereafter the annual maximum is $10 million.

The increase in the level of the authorized annual appropriation would be accompanied by a new provision that would reserve 50 percent of the sums annually appropriated for the exclusive use of needy schools without a food service during the three fiscal years 1973–75. It is not the intent, in establishing this reserve, to include as a school without a food service a newly constructed school which is replacing a school (or schools) which was serving food.

The 50 percent of funds so reserved in the three fiscal years will be apportioned among the States on the basis of the enrollment in schools without a food service in the various States. If a State cannot use its share of the funds reserved for no-program schools, it will release the unneeded amounts for reapportionment to other States which can use additional funds for such schools. If there are unexpended funds out of this reserve at the end of a fiscal year, it is the intent that such unexpended funds be similarly reserved for use by no-program schools when carried over into a succeeding fiscal year under the authority of section 3 of this Act.

Thus, there would be an increased emphasis on using nonfood assistance funds to bring needy no-program schools into the lunch or breakfast program in the next three fiscal years. Thereafter, the level of the maximum annual appropriation would be decreased and the appropriations would be apportioned on the basis of the relative number of lunches and breakfasts served in the various States.

The bill continues the provision that funds from sources within the State shall finance 25 percent of the cost of the equipment acquired under this program. A change in the wording of this provision has been made to make it abundantly clear that this 25 percent provision is to be applied on a statewide basis—not school-by-school. This clarification gives States flexibility in obtaining the required State or local contribution, making it possible for the State agency to pay 100 percent of the acquisition costs when, in the opinion of the State agency, such a payment should be made. In addition, the Secretary is authorized to waive the matching requirement for any portion of the funds made available for the exclusive use of no-program schools in circumstances of unusual need.

SECTION 14

Section 14 of the bill amends section 7 of the Child Nutrition Act of 1966 which deals with Federal funds for State administrative expenses.

When the Act was passed, the program of section 11 school lunch assistance was confined to selected needy schools and the new child feeding programs—breakfast, nonfood, and the nonschool program (section 13 of the National School Lunch Act) were limited programs, largely pilot in nature. This bill, therefore, makes language changes to reflect the need to generally strengthen State supervision and technical assistance to schools and institutions participating in all child nutrition programs.

In providing Federal funds to States it is the intent that the Secretary of Agriculture utilize such funds in a manner he deems will best increase and strengthen such State supervisory activities and provide an incentive to States to accept intrastate administration of all child nutrition programs in all eligible schools and institutions.

SECTION 15

This section of the bill amends section 10 of the Child Nutrition Act of 1966 which, among other things, authorizes State educational agencies to use up to one percent of their apportionment of program funds for developmental projects.

With the elimination of the "apportionment-formula" method of distributing school lunch and breakfast funds to States, an alternate method was necessary to determine the annual amounts of program funds State educational agencies could be authorized to use for developmental projects. Under the bill, the Secretary could authorize States to fund developmental projects out of the funds made available to them under the guaranteed average payment for school lunches and school breakfasts and the funds apportioned to them for nonfood assistance in an amount which represents one percent of the funds utilized by the States under these authorities in the preceding fiscal year.

SECTION 16

Subsection (a) of this section of the bill is intended to correct a drafting oversight in previous legislation.

Under the provisions of section 11 of the Child Nutrition Act (and section 13 of the National School Lunch Act), the benefits provided to children under the school breakfast program, the nonfood assistance program, and the special food services program are not to be considered to be "income or resources" for purposes of taxation, welfare, and public assistance programs. Inadvertently, this prohibition was not extended to benefits derived from the school lunch program and the bill proposes language changes to make clear that school lunch benefits also are subject to such a prohibition.

Subsection (b) of this section would change the definition of State to extend the child nutrition programs authorized under this Act to the Trust Territory of the Pacific Islands.

CHAPLAIN MARK R. THOMPSON—REAR ADMIRAL—U.S. NAVAL RESERVE

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, it is a truism known to anyone who has ever had any relations with the Armed Forces of America that the Chaplain Corps has given service to this country which is immeasurable. There is no place into which we send our Army, our Navy, our Marine Corps, or our Air Force, that these brave men of God do not go. They are with the first waves that land on the beaches. They are with the paratroopers when they jump in combat. They sail the high seas with our Navy.

Occasionally there comes a man who stands out with distinction even among these most distinguished men. Such a man is Rev. Mark Thompson, D.D., who has just been promoted to the rank of rear admiral, Chaplain Corps, U.S. Naval Reserve, filling the only slot for a rear admiral as a chaplain in the Naval Reserve.

Dr. Thompson is a graduate of Washington and Jefferson College in Washington, Pa. He worked briefly as the assistant dean of students at that college before entering the Princeton Theological Seminary, from which he was graduated in 1944.

He entered service in the U.S. Navy in that year and served with distinction during the next 2 years, after which he became chaplain at Lafayette College in 1952. He returned to service with the U.S. Navy in that year and continued on active duty until 1958. He returned to the civilian ministry in that year, and has shown the same immense devotion to the members of his church, and indeed to all the people of our community as pastor of Westminster Presbyterian Church in Scranton.

To recite the work of Dr. Thompson would be impossible. To catalog only a few of his commitments is almost overwhelming. He has served as chaplain of our Naval Reserve center. He has also served on the staff of the Chaplains School in Newport, R.I.

He has served on the planning and advisory commitee on Scranton Neighbors; as president of the United Churches of Lackawanna County; as president of the Library Association of Scranton; as a founder and member of the board of directors of Geneva House; as a director of the Scranton-Lackawanna Human Development Agency; as chairman of the Interpretation and Stewardship Committee on the Lackawanna Presbytery; as a member of the general council of the Senate of Pennsylvania; a member of the National Missions Committee; a member of the Scranton Central City Pastors staff; a member of the Building Committee of Scranton Public Library; a member of the boards of directors of the Family Service, the United Cerebral Palsy, and the regional YMCA.

This is, indeed, a picture of the complete man of God, and we are more than fortunate to have him serving the people of our region with so great a distinction.

I know that all of my colleagues here in the House of Representatives join me in offering the warmest congratulations to Dr. Mark R. Thompson, who has now become Rear Adm. Mark R. Thompson. Every one of us in our area of Pennsylvania are enormously proud of this just distinction which has been conferred upon Dr. Thompson. I would suspect, however, that the proudest of all are his wife, Jean, and his children, Mark Jr., John, Scott, Robert, Robin, and Ross.

THE FEDERAL ROLE IN EDUCATION: A REPORT TO THE FOURTH DISTRICT OF KANSAS

The SPEAKER. Under a previous order of the House, the gentleman from

Kansas (Mr. SHRIVER), is recognized for 10 minutes.

Mr. SHRIVER. Mr. Speaker, the Labor-Health, Education, and Welfare Subcommittee of the House Committee on Appropriations, on which I serve, has now completed hearings on the fiscal year 1973 budget requests for the departments and agencies for which we are responsible.

More than a thousand pages of the printed record of these deliberations are devoted to the U.S. Office of Education. As our subcommittee now begins final consideration of these education budget requests and prepares recommendations for appropriations, perhaps it would be well to review the growing Federal role in our educational system.

Our Nation now spends in the neighborhood of $94 billion annually for education, or 9 percent of our gross national product. This is $16 billion more than the fiscal 1973 defense budget, which is funded entirely by the Federal Government.

The Federal Government has requested $15.7 billion in fiscal 1973 for education—an increase of over $12 billion in the past decade. Of this $15.7 billion, $6.3 billion is for elementary and secondary education—a fivefold increase since 1963. Federal support for higher education has risen $5.8 billion and is now over four times the 1963 level.

Twenty Federal agencies have requested fiscal 1973 funds for over 100 separate education programs. The most visible programs are those of the U.S. Office of Education, which account for roughly one-third of the total. Other major Federal efforts include the health manpower programs of the National Institutes of Health, the veterans educational programs, the manpower training activities of the Department of Labor, the Indian education programs of the Department of the Interior, and the college housing programs of the Department of Housing and Urban Development.

As a member of the Appropriations Committee and specifically of the Labor-Health, Education, and Welfare Subcommittee, I have supported the growth in funding for these programs.

Mr. Speaker, I represent a district and a State which has for years placed a high priority on education. The State of Kansas ranks fourth of all 50 States in terms of the literacy rate. Our State ranks 10th in the average number of school years completed by our adult population. Kansas ranks eighth from the top in the pupil-teacher ratio.

Growing Federal assistance has been an important contributor to this record. During the 1970–71 school year, Federal education funds for Kansas under the Office of Education elementary and secondary programs alone totaled more than $22 million. Of this total, the Fourth Congressional District received nearly $5 million.

While relatively small in terms of overall education expenditures in my district, these funds resulted in a significant saving for local taxpayers. In one school system, the property tax levy would have to be raised by more than 30 mills if it were not for this Federal assistance. In the city of Wichita, an increase of 4½ mills would be necessary.

These Federal funds are important, and they represent a wise investment in our Nation's future. It is becoming obvious that the Federal role in education financing must increase and improve administratively in the years to come.

In March of this year, the President's Commission on School Finance released its report to the President entitled: "Schools, People and Money—The Need for Educational Reform." American education has perhaps been "researched" and "reformed" more than any institution in our society, usually with only marginal results. At the same time, this Commission did present some worthwhile observations and recommendations.

First and foremost, the Commission recognized the basic need for more money for our schools. The report states:

> We recognize that money builds schools, keeps them running, pays their teachers, and, in crucial if not clearly defined ways, is essential if children are to learn.

While this might seem elementary to those administrators and teachers most directly involved in our schools, I am glad to see the Commission reminding the education bureaucracy in Washington of this fact.

The Commission has strongly recommended, for both constitutional and practical reasons, that the States bear the primary responsibility for designing, financing and implementing educational reform. The role of the Federal Government should be to provide the financial incentives for innovation at the local level, not to force untested new techniques on local school officials who know better.

In the past, education research has produced disappointing results when compared to medical and scientific research. One reason for this might be that education research does not succeed in the laboratory as well as the others. It must be done in the classroom by experienced teachers who deal with the problems of teaching a child every day. The Federal Government should encourage this practical research.

What form should this Federal support take in the future? We know that the percentage of education costs furnished by the Federal Government should and will rise. In the process we must find more effective ways of offering this assistance.

With our subcommittee's encouragement, the Office of Education is now redesigning all of its programs to focus on career education. Today, 40 percent of our high school graduates do not go on to higher education. More attention must be given throughout elementary and secondary education to prepare these students to offer productive and needed skills to prospective employers.

The President has proposed the initiation of education renewal grants to selected school districts to enable them to consolidate their Federal grant applications into one coordinated package. One of the more appealing aspects of this renewal would be the establishment of local education extension agents patterned after the effective and popular agricultural extension program. These agents would provide a way to spread information concerning successful education research.

To help States and cities meet emergency education and other funding needs promptly, the House will soon consider general revenue sharing legislation. Under the bill reported by the House Ways and Means Committee, the Fourth District of Kansas would be allocated over $8.6 million for the first year of this 5-year program. Special education revenue sharing has also been proposed, but no action is expected on it this year.

Mr. Speaker, these are just a few of the possible avenues being examined as routes to future Federal assistance to education. This is not to say that our education system is doing poorly now; it is not. More of our young and adult population are being served than ever before. A higher proportion of elementary and secondary school students now complete 12 years of schooling than ever before. Greater numbers and a higher percentage of high school graduates enroll in college and other postsecondary institutions than ever before. Our colleges and universities are now producing more graduates with bachelor, master, and Ph. D. degrees than ever before. Bachelor degrees have doubled in the last 10 years; master and Ph. D. degrees have tripled.

Not only are more students receiving more education, but for the majority they are receiving a better education. Curriculums at all levels, from elementary through graduate school, are more varied, more intensive, and of higher quality. Teachers and school administrators are receiving more and better training than ever before as well as more retraining to update their knowledge and skills.

As we look to the coming years, these gains will provide solid footing for further improvement. The Federal Government will be spending more on education; it must spend better, also. With the consultation and advice of our local educators, Congress can design workable methods to channel this money to the local schools and colleges while avoiding the redtape and controls which have limited the effectiveness of Federal aid in the past.

THE BICYCLE

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. HALPERN) is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, today, 35 of my colleagues in the House and Senate joined me on a bicycle trip around the Capital. This is the second year in a row where Members of the House and Senate actively participated in the celebration of Bikecology Week—although this year we are celebrating 1 week late.

Besides the joy of riding a bicycle, those who participated in today's "Tour du Capitol" sincerely believe that the bicycle is an effective alternate means for transportation that causes no pollution and is a healthful way to exercise.

It is estimated that 60 percent of our

automobile trips in the United States are for distances less than 5 miles. For thousands upon thousands, there should be the possibility of substituting the bicycle for the automobile in many of these shorter trips.

The buildup of exhaust emissions increases the pollution of the atmosphere and impairs our health each day. Reduction of the congestion of traffic and also of the improvement of our own lives by having cleaner air are two important advantages in addition to a more flexible transportation system which bicycles offer. As you must realize, the bicycle offers an efficient nonpolluting and helping alternative to the automobile as a means of commuting to school, shopping, and recreational transportation. It is in our national interest to promote a transportation system that places less strain on our environment, while focusing public attention on the individual and community benefits that can be derived from bicycling. This idea has been enhanced by the proclamation of this week, May 1–7, 1972, as the National Bikecology Week.

Cities are also becoming involved. New York City has banned automobiles from Central Park on weekends and holidays during daylight hours and set up suggested bike routes for commuters in Manhattan.

Boston, Chicago, Washington, D.C., San Francisco, Omaha and Lincoln, Nebr., Syracuse, N.Y., Milwaukee, and Miami have set up in-city bike routes. Other cities have held official "Bike to Work" days, and citizen "bike lobbies" are springing up across the Nation.

Private business and industry are also adapting to the trend. Let me cite a few examples. A suburban bank has "peddle-in" teller windows at its branches. A major car rental company is now leasing bicycles in 14 cities around the country. Commercial garages in the Nation's big cities are beginning to provide space for commuter and in-city cyclists. A fashionable New York department store has bike racks available for shoppers; and Ford's Theater, in Washington, D.C., advertised a special admission price for those who wished to "bike in" to the theater, and provided racks for parking.

There are some 15,000 miles of bike paths, including the 332-mile Wisconsin bikeway. San Francisco has opened the Golden Gate Bridge to cyclists and New York City is investigating ways to make the bicycle a viable alternative to current modes of transportation. John Volpe, stated that he "is excited" about bicycles and he has expressed his attention to make Washington, D.C. a model city for bicycles.

Perhaps the best known example of intracity bicycle transportation network is the one instituted in Davis, Calif., in 1966. In the city of 24,000, there are approximately 18,000 bicycles. Bicycles on one of the heavily traveled streets in Davis, represented 40 percent of the vehicles. During rush hour, 90 percent of all bicycle riders were adults. The major reason for the success of the bicycle is the existence of a safe, carefully designed bicycle commuter system.

The bicycle gives the average American a new pastime in traveling, not only to work and recreation, shopping, and visiting in his own community, but also for short sightseeing trips, and camping trips as well as, possibly vacation trips.

These preliminary steps are good. But they stress more than ever the need for this legislation particularly as the "bicycle explosion" continues. This year the bicycle industry will surpass the automobile industries in terms of units sold with expectation of 10 million bike sales up from 8.5 million sales in 1971. One third of the purchases were for adults, more than doubling the bicycles purchased by adults in 1970. This increase in itself demonstrates the growth of the bicycle as a means of transportation. It is estimated at this time that there are 80 million bicyclists in our country, doubling the figure of a decade ago. Also, it is estimated that 200 cities featured bikecology events during last week.

There are, throughout the country, many organizations which spend much time and effort to promote cycling for health, safety, and pleasurable reasons. One such organization is the League of American Wheelmen.

Among the many fine publications sponsored by LAW is a brief history of the cycling movement in America. In celebration of bikecology, I would like to insert into the RECORD a recent article by LAW in hopes that my colleagues in the House will find it as interesting and fascinating as I did:

THE LEAGUE OF AMERICAN WHEELMEN

Once upon a time, there lived an organization called the League of American Wheelmen. It was an institution which played a vitally important part in fostering and promoting the cycling movement in America.

When cycling was very young it needed care, encouragement, and protection. The L.A.W., as the League was commonly called, fought for the right of wheelmen to use the public streets and highways. It started the good roads movement in the late 1880's. It opened the parks and drives to cyclists. The objects of the League were to promote the general interests of bicycling, to ascertain, defend and protect the rights of wheelmen, and to encourage and facilitate touring.

In the early 1880's a bicycle touring wave hit the United States. Wheelmen began to venture on long tours into strange parts of the country. The League established a touring bureau to furnish information as to routes, maps, etc. Members were asked to send in detailed information regarding their routes. Each state Division gathered information relating to its own roads, and many of the Divisions published road books. Hotels which granted reduced rates to League members were listed, together with railroads which carried bicycles as baggage. It was the League, by the way. that finally forced the railroads to make this concession.

Starting its second decade with a membership of over 18,000, the League enjoyed a truly remarkable growth. In 1893 there were close to 40,000 members. Then the well-remembered bicycle boom started. Fashion set its stamp of approval on cycling and everybody wanted a bike. The cycle industry expanded tremendously. In 1895–96 there were about 300 bicycle factories. Production reached a top of nearly 2,000,000 bikes in 1897. League expansion kept pace with the cycle trade until the membership soared to an all-time high of 102,636 in 1898. Many famous people whose names have become part of our nation's history were members of the League, including Orville and Wilbur Wright, Commodore Vanderbilt and Diamond Jim Brady.

Then the bubble burst! The public, excepting the real cycling enthusiasts, turned from the bikes to the new "Horseless Carriage," and bicycle production dwindled along with the cycle industry. The League lost membership drastically, and by 1902 only 8,629 remained. Each year more members deserted the sinking ship. The League did not cease to function, however, and was carried on through the efforts of its secretary, Abbot Bassett, until 1942.

Once upon a time may seem like eternities ago. Yet today, right now, cycling in America is struggling through a period closely paralleling the time when L.A.W. was organized. The industry has reached an all-time high. Millions of bicycles are being bought yearly by a health and recreation oriented public. Higher incomes and increased leisure time along with the need to escape the hectic pace of modern society has led to a rediscovery of the delights of cycling.

The problems facing today's cyclists are very similar to those which faced the League in 1880: Denial of right-of-way, expanding freeway systems, and the menace of the "Horseless Carriage" has multiplied millions of times over.

One of the greatest assets of the League was its influential power as a large collective body. All the members working together achieved more than if the same individuals had worked separately or without a common goal.

The first case affecting the rights of the Wheelmen with which the L.A.W. dealt was the Haddenfield (New Jersey) Turnpike case. The Pike Company refused to allow bicycles on the Pike. The League proposed making a test case and supported the Philadelphia Club in starting suit. The company backed down and revoked its anti-cycling policy.

In 1879 the New York Board of Commissioners exluded bicycles from Central Park. The L.A.W. decided to take the case to court. For eight years the struggle went on, and finally, in 1887, the "Liberty Bill" was signed by Governor Hill revoking all laws discriminating against bicycles and established the rights of wheelmen to ride on any parkways, streets, or highways in the State of New York. Many states soon followed with the passing of similar bills.

The L.A.W. fought and won many cases in which drivers had crowded cyclists off the road or had deliberately run them down.

Now, after many years of inactivity, the League is being reorganized. During the early months of 1964, Joe Hart, one time officer of the national League of American Wheelmen and active cyclist with the Columbus Park Wheelmen, set out to promote a reunion of former Chicago Council League members. With the help of Ben Altman of the Wandering Wheelmen and Art Clausen of the Ramblers, the reunion was a complete success.

But most important, the revival of the national organization was initiated. A national convention was held on July 2 and 3, 1965 in Chicago, at which time Joe Hart was elected President of the L.A.W., which office he held until June 23, 1968 at which time, during the L.A.W. National Rally in Marion, Indiana, Hartley Alley of Bloomington, Indiana was elected President.

The League has tripled its membership since its reactivation, the present number being over 5000! It has much to offer bicyclists—tour information, maps, the L.A.W. Bulletin which is published monthly, a Directory of members throughout the U.S., Canada, Germany, Viet Nam, decals, and patches.

Mr. Speaker, for years the automobile industry has sold the American public on the proposition that the car is indispensable to our way of life. We have

been assured that the speediest and most convenient form of transportation has four wheels and a gas engine.

However, the pleasures promised by Detroit's advertisements seem to have eluded those of us who use the clogged arteries of our cities. Precious minutes of our lives are wasted in bumper-to-bumper traffic while we do battle with exhaust fumes and other frustrated drivers.

Hopefully, Mr. Speaker, we can learn by our mistakes. Despite the advances made in automotive technology, the fastest and surest way to travel in our cities remains the bicycle. Frederic Moritz of the Christian Science Monitor has written an article in which he thoroughly shatters the myth of the automobile. The statistics given in the following article should impress even the most performance-minded commuter:

WHICH WAY TO WORK? BIKES VERSUS CARS—CYCLISTS WIN THE DAY

(By Frederic A. Moritz)

BOSTON.—Red lights, stalled morning traffic, and six stubborn cylinders sputter beneath the hood of my dusty old Dodge Dart. . . . Close behind, a sleek, 10-speed Raleigh racing bike breathes down my rear view mirror.

Suddenly the smooth pedaling competition streaks past—for the sixth time—on the drizzly, 10-mile run from this reporter's suburban home to his Boston office. Down Massachusetts Avenue the two-wheeler zips to victory with a snappy 23-minute run—12 minutes shorter than my motorized 35-minute crawl.

Meanwhile, all across town the story is repeated as Boston's great Bicycle Marathon pits 25 carbound commuters against 25 eager cyclists. Sponsored by Boston's newly established Association for Bicycle Commuting, the race carries an unmistakable message: "For getting to work, bikes are just as practical and speedy as cars."

The message came through clearly as bicycling teachers, office workers, and professors beat out lawyers, secretaries, and reporters clinging timidly to their steering wheels.

From Boston's surrounding towns—Somerville, Newton, Cambridge, Belmont, and Watertown—the message was the same as two-wheelers passed autos on commuting runs averaging five miles long.

The bikes claimed 21 proud victories, leaving only 3 for the cars—with one race tied. Biking commuters averaged 17-minute runs. Stop-and-go autos settled for a 24-minute average.

Earlier that morning it looked a little more hopeful for this reporter and his car. The 10 miles in from Somerville through Cambridge was the longest heat of the race—winding and tricky with pot holes enough to slow down the delicate wheelrims of any 10-speed racer.

The competition: 24-year-old Jeffrey Bernstein, a Bostonian mime with the newly organized Merriam-Webster Pocket Mime Circus.

7:15 a.m.—He stumbles up my steps, fresh but perspiring after 10 miles of pedaling north from his Boston apartment. (For all 25 heats, cyclist challengers were dispatched to the doorsteps of their automobile defenders.)

7:32—The race begins. A quick swivel launches cyclist and wheels back toward Boston, while a lumbering Dart—stuck between two parked cars—bucks and heaves to face south.

7:33—Churning pistons zoom car ahead for a 30-second lead, quickly muzzled by a wet, wheezing stall. Two-wheeler disappears around the corner.

7:34—Bike looms back into view as (grinding into second) car hits 20 miles an hour up the hill toward Tufts University.

7:35—Car pulls to a halt at red light lineup. Cyclist leisurely pulls astride.

7:36—It's neck 'n neck, bike and auto, until a Davis Square jam-up brakes the car. One more stall. Cyclist scoots around the edge.

And so it goes. Car stops for street-crossing dog pack. The two-wheeler darts between.

Car halts behind a stalled wide-beam tractor truck. . . . Cyclist disappears down the right lane.

Car gains on the straightaways—but loses in the jams.

Suddenly at 7:55 sharp, the cyclist disappears while car idles behind still one more red light.

Just 17 minutes more it takes. . . . I jostle to a parking spot . . . and find Jeff Bernstein lounging at my office door.

The message is clear: Buy a bike.

Mr. Speaker, one of the tragedies of modern living is that too few Americans take the time to experience the beauty of their country personally. We seem to be content with catching quick glimpses from an altitude of 30,000 feet or from a freeway speed of 60 miles an hour.

Bicycling, in addition to its ecological benefits, provides a most enjoyable way to discover the people and places of an America which is often overlooked. Bill Mason wrote a charming article in Newsday describing the experiences of a group of young New Yorkers on a recent bike tour of Long Island. I am inserting this in the RECORD in the hope that more people will decide to trade their cars and crowded highways for an afternoon of bicycling. The article follows:

GREAT DAY FOR A RIDE IN "SOME" HAMPTON

(By Bill Mason)

Southampton—Nearly 700 city-dwellers invaded the village on bicycles yesterday, but no one seemed to mind. "They're happy to come, and the village isn't unhappy to see them," one resident said.

Two of the cyclists, most of whom were teenagers, became so tired that they couldn't finish the route they'd taken and missed their special train back to New York. Officer Allan Sandlenski of the town police loaded them, bikes and all, into his squad car and rushed them to the next train. He was happy to do it, he said. "We like to have people come out. It's not only good for city people, but it's good for local people to meet others," the officer said.

The occasion was the 28th Long Island bike tour, organized by the New York Council of American Youth Hostels. One is held each spring and fall. "People need to get away. It's nice out here," said 16-year-old Wendy Blackstone of the Bronx.

The routes the riders were to take were indicated on maps they carried, and arrows were painted on the streets in white paint. The round-trip routes, 15 and 25 miles in length, were mapped out but many riders disregarded the maps and chose their own paths through the countryside.

The two 15-year-old girls who missed the special return train blamed strong headwinds that slowed them down. Muller put them on the next train, but not before each made a call home. "It's Cathy," one said. "Put Mommy on . . . Daddy? We just missed the train. I don't know: I'll leave it (the bicycle) here. We're in East Hampton. Or Southampton. Or some Hampton."

But most of those who took the ride knew where they were, and said the trip was "fantastic," that the Hamptons were "beautiful country" and that, all in all, "it was a great place and a great day for riding."

Bob Kociszewski, owner of the Southampton Restaurant, said, "I think they come here more for a ride than a drink, but there's no problems with them. Take a look out there. They didn't dirty the area or anything. They're happy to come, and the village isn't unhappy to see them."

THE PENSION TRANSFER ACT

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 10 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, today I am reintroducing my Private Pension Transfer Act with an additional six cosponsors, thus bringing to 37 the total number of House cosponsors of this legislation. In essence, this is a very modest measure which would exempt from income taxation pension benefits transferred from one retirement plan to another within a year. At the same time, I think this is an important step in the direction of portability—of preserving and protecting the pension rights of an employee moving from one job to another. While my bill does not require an employer to accept the transferred pension funds of a new employee, it does give the employee the incentive to reinvest those funds where transfer arrangements exist. As the law now stands, the tax on benefits withdrawn from a plan, regardless of whether they are transferred to a new plan, is a disincentive to the accumulation and preservation of retirement savings.

Mr. Speaker, I am encouraged by the fact that this week the House Committee on Ways and Means is holding hearings on pension reform legislation. The central focus of these hearings is on the administration's Individual Retirement Benefits Act, H.R. 12272, which would provide new tax incentives for retirement savings by employees who are not covered by employer-financed plans or who are inadequately covered by such plans, minimum standards for the vesting of benefits under qualified pension and profit-sharing plans, and increased deductions for contributions to the retirement plans of the self-employed. On Monday of this week, I testified before the Ways and Means Committee in support of both the administration bill and my own pension transfer legislation.

At this point in the RECORD I include the full text of my testimony and an article by Mr. Norman H. Tarver from the March 1972, issue of Best's Review entitled, "Preservation of Pension Benefits." In addition to summarizing the administration's pension legislation, Mr. Tarver makes some further recommendations with respect to protecting transferred pension benefits. He would provide the employee with several options for preserving his benefits if portability arrangements do not exist with his new employer. While this recommendation does go a step further than my own bill suggests, I do think it is worthy of serious consideration by the Ways and Means Committee as it proceeds with its deliberations on this subject.

TESTIMONY OF THE HONORABLE JOHN B. ANDERSON

Mr. Chairman and members of the committee, I am grateful for this opportunity to testify on tax proposals affecting private pension plans. You are to be commended on

holding these hearings on this matter of increasing interest and concern to millions of Americans, and I am hopeful that you will be persuaded to report legislation in this session of Congress.

The main focus of these hearings is on H.R. 12272, "The Individual Retirement Benefits Act," introduced by the chairman and ranking minority member of this committee at the request of the Administration on December 14, 1971. Briefly stated, this bill provides a minimum vesting standard to preserve the pension rights of employees, encourages independent savings for retirement or supplements to employer-financed plans through tax deductions, and increases the incentive for the self-employed to establish pension plans for themselves and their employees, again through tax deductions. I do not want to take the committee's time by restating the persuasive arguments for this measure which were so eloquently expounded by the Treasury Department spokesman earlier today. Suffice it to say, I enthusiastically endorse this legislation and have, in fact, introduced an identical bill in H.R. 14133.

Today I particularly want to outline to the committee a measure which I recently introduced which relates to another key area of private pension plan reform. That bill is H.R. 14470, the Private Pension Transfer Act, which I originally introduced on April 19 of this year, and reintroduced with a bipartisan group of over 30 cosponsors on April 27. This measure is aimed at aiding pension "portability," that set of arrangements whereby a worker can accumulate pension credits from job to job and eventually combine them into qualification for a single pension. The portability of pension credits become more pertinent as our economy becomes more and more dependent on continuing shifts in manpower needs and as our society develops the most mobile labor force in history. While continuous service with an employer should be rewarded with concomitant benefits, we should still be careful not to tie workers so tightly to a single pension arrangement that a retirement system serves to immobilize our working populace.

The Private Pension Transfer Act would amend the Internal Revenue Code of 1954 to allow employees to withdraw their retirement credits upon leaving a job and reinvest them in a new annuity plan without those credits being subject to income tax. The present law penalizes employee mobility and discourages the maintenance of retirement programs by taxing funds withdrawn from such programs, whether or not they are reinvested in another retirement system.

There is a solid precedent in our tax laws for this kind of reinvestment in kind. We allow persons who sell their homes for a profit and reinvest their gain in a new house within a year to have that gain exempt from income tax. We can apply the same principle to transferred retirement credits and permit them to be invested in kind without a tax liability—to move as the worker moves. If our goal is encouraging the maintenance of sound annuity programs, such a tax exemption for transferred credits would offer a new incentive towards that end.

H.R. 14470 is flexible in its treatment of those transferred credits—the "lump sum distribution." An employee can decide to reinvest only part of his lump sum payout within a taxable year and pay tax only on that amount not reconverted into a trust. The Act provides for priority tax treatment of the amounts transferred which are not reinvested in a new pension: they would first be taxed as capital gains—up to the amount of the distribution that is defined as capital gains—and then as regular income. As with present law, that part of the lump sum distribution that is the employee contribution is exempt from taxation.

The bill also contains a provision under subsection (b) (page 4) which provides for the appropriate tax treatment of previously exempt amounts which are again distributed in a lump sum payout. This provision is designed to prevent an employee from achieving tax advantages by jumping from trust to trust.

The Pension Trust Branch of the Internal Revenue Service, which aided me in the formulation of this legislation, assures me that this change in tax law would most benefit the wage earner in the $5,000 to $15,000 salary range, the skilled and semi-skilled laborer least able to bear the taxation of what he deems is rightfully his—his pension credits. One kind of worker most likely to benefit by this tax exemption would be one whose company may be planning a relocation, merger, or change in ownership. Likewise, a worker on a union pension arrangement shifting to a new job within the union structure but under a new employer—such as is commonly the case with auto workers—would qualify for the exemption.

Being a new exemption, the provision carries with it a certain amount of revenue loss. Unfortunately, it has been impossible to come up with an estimate for such a loss, given the present income tax reporting requirements. The Internal Revenue Service was asked to produce such an estimate, but was not able to do so since retirement credits as an income source are not reported as a line item in tax filing. Even so, I think we can assume that the revenue loss would be minimal, and that the loss, balanced against the remedied inequity, would be worth sustaining.

This bill does not create portability! it simply allows a shift of money between plans without taxation where portability already exists. It commands no employer to accept a new employee's lump sum credits, yet I would hope it gives an impetus to employers to accept transferred pension credits and to make adequate provision for them. The Act implies no coercion of businesses or unions; any pension arrangement achieved by an employee is his to make. It is not conceived so employees could go job-hopping until they worked the best annuity scheme; it aims to encourage the free flow of labor and the continuity of pension credits.

Mr. Chairman, H.R. 14470 is a modest measure, a prelude to the much more difficult issue of portability, that far more thorny question which the House will be considering at a future time. But I would hope that we could take this modest step now, and it seems to me that this could be consistently incorporated in the Individual Retirement Benefits Act proposed by the Administration. I would therefore urge this committee to give serious consideration to amending H.R. 12272 by including my Private Pension Transfer Act as a new provision. I am sure I am joined by my 31 cosponsors in making this request, and at this point in the hearing record, I would like to include a full listing of those cosponsors:

Mr. Bingham, Mr. Broyhill of North Carolina, Mr. Collins of Illinois, Mr. Conte, Mr. Danielson, Mr. Derwinski, Mr. Dow, Mr. Frenzel, Mr. Gallagher, Mr. Garmatz, Mr. Grover, Mr. Halpern, Mr. Hammerschmidt, Mrs. Hicks of Massachusetts, Mr. Hosmer, Mr. King, Mr. Leggett, Mr. McCormack, Mr. Mathis of Georgia, Mr. Mikva, Mr. Moss, Mr. Quillen, Mr. Randall, Mr. Robinson of Virginia, Mr. Scott, Mr. Smith of New York, Mr. J. William Stanton, Mr. Symington, Mr. Thone, Mr. Horton, and Mr. Gude.

[From Best's Review (Life/Health Insurance Edition), March 1972]

PRESERVATION OF PENSION BENEFITS

(By Norman H. Tarver)

In December 1971, President Nixon submitted a statement to the Congress in which he requested that certain reforms be made in the Internal Revenue Code in respect to the private pension plan system. This statement was submitted shortly after the conclusion of the 1971 White House Conference on Aging and contained these paragraphs:

"Self-reliance, prudence and independence are qualities which our Government should work to encourage among our people.

"These are also the qualities which are involved when a person chooses to invest in a retirement savings plan, setting aside money today so that he will have greater security tomorrow. In this respect, pension plans are a direct expression of some of the finest elements in the American character. Public policy should be designed to reward and reinforce these qualities.

"Older persons have spoken eloquently about the need for pension reform, especially at the White House Conference on Aging. . . . It is clear that our efforts to reform and expand our income maintenance systems must now be completed by an effort to reform and expand private retirement programs."

FIVE BILLS SUBMITTED

Immediately following submission of this statement, five bills were submitted, three to the House (HR 12272, HR 12302, and HR 12337) and two to the Senate (S 3012 and S 3024), which bills were referred to committees of the House and the Senate. At the time this is being written (early February), no action has been taken on any of the bills.

Bills HR 12337 and S 3024 would amend the disclosure laws and are of no concern to us in this article. Bills HR 12272, HR 12302 and S 3012 are identical and are of interest insofar as this article is concerned. For convenience, I'll refer to only HR 12272 hereafter. This bill would amend the Internal Revenue Code to provide for the following:

(a) Deduction from the gross income of an employee in respect to his contributions to a qualified plan of his employer.

(b) Deductions from the gross income of an employee in respect to his contributions to an individual retirement savings plan (in the bill called "qualified individual retirement accounts" and in this article called "QIRA plans").

(c) Mandatory vesting according to a so-called "Rule of 50."

In this article, I would like to discuss only certain aspects of QIRA plans and to submit some suggestions in respect to them and in respect to pension and profit-sharing plans in general. First, though, I would like to submit a few thoughts regarding the social philosophy behind the private pension plan system.

Retirement Philosophy—As a fundamental principle, I believe that every taxpayer and spouse should be encouraged to accrue during their income-earning years savings of sufficient magnitude that they will be able throughout their retirement years to maintain a standard of living reasonably related to the standard they had maintained in their income-earning years.

The universal retirement income provided by Social Security will, of course, provide a basic and integral part of such savings. Also, although the preceding paragraph speaks of savings accrued by the taxpayer and spouse, such savings would include savings put aside for them by their employer.

Retirement savings are comprised of funds taken out of today's income by an employer or an employee or both that are permitted to accumulate to the employee's retirement date. To paraphrase the President, such savings are monies set aside today so that the employee and his spouse will have greater security tomorrow.

Not only should the law encourage the accumulation of reasonable savings but also the law should encourage the preservation of as much of these savings as possible until needed for retirement income.

Philosophically it makes no difference whatsoever whether the funds set aside to

accumulate are from employer income or employee income. Therefore, any encouragement provided by the government for the preservation of accumulated funds should apply equally to both kinds of funds.

To sum up, if it makes sense socially to encourage the accumulation of savings through tax incentives, then it makes equal sense socially to encourage the preservation of those savings through tax incentives.

Portability—The expression "portability" is much used these days by Congressional and governmental persons concerned with pension reform legislation. It is also much used by all persons actually involved in private pension plans, such as pension consultants, insurance companies, banks, employers, employees and officials of labor unions. To each of these various persons, "portability" seems to mean something different. I would like to suggest a definition that can be used in general discussions. At any rate, "portability" has the following meaning in this article.

I suggest that portability means the preservation of pension benefits that have become vested in an employee at the time he terminates participation in a qualified plan. Such plan may be a pension plan, a profit-sharing plan or a Keogh (HR 10) plan. Where and how the preservation of vested benefits takes place is irrelevant to the definition: the vested benefits may be preserved where they have accumulated or they may be transferred and preserved elsewhere. "Portability" is thus nothing more or less than the preservation of vested benefits.

Normally, "vested benefits" is defined as the portion of the benefits derived from an employee's contributions to a qualified plan that have become non-forfeitable to an employee terminating participation in a qualified plan. In this article, I am using "vested benefit" to include not only such portion but also all of the benefits derived from the employee's contributions for which he has received tax deductions.

SECURING PORTABILITY

This is the definition of "portability" that I feel should be used as a basis of discussion for all pension reform legislation. Having accepted this definition, we can then proceed to consider the ways and means of securing portability and the problems that must be solved.

Limited Preservation—Bill HR 12272 would amend the Internal Revenue Code so as to encourage the preservation of some of the accumulated employee funds, but not all. Moreover, it would not encourage the preservation of accumulated employer funds. I recommend that HR 12272 be amended to provide equal treatment for all accumulated vested benefits.

The encouragement for preservation that is included in HR 12272 takes the form of permitting a distribution from one QIRA plan to be transferred to another QIRA plan without taxation in the process, even though the transferred funds may pass through the hands of the taxpayer enroute.

Under the bill, the transfer must occur within 60 days after the distribution from the original QIRA plan.

This transfer feature is covered in Section 3(b) and (c) of the bill and in the wording proposed for new Sections 408(b)(1) and 72(p)(1). This transfer provision is to be commended, but I feel that it does not go nearly far enough.

Proposals for Preservation of Benefits—I propose that the Internal Revenue Code be amended to permit and encourage the transfer in as many ways as possible of as much as possible of the vested benefits arising out of employer contributions as well as those arising out of employee contributions.

SOCIALLY DESIRABLE

From a social point of view, it is highly desirable for an employee terminating participation in a pension plan or a profit-sharing plan and becoming entitled to a vested benefit to preserve as much as possible of this benefit somewhere so that it will be available to provide pension benefits when he retires. Rather than taxing a vested benefit at the time of termination (as is now the situation if it is received in any form other than as an annuity contract, immediately or deferred), it would be very desirable socially to encourage preservation by permitting transfers of benefits and encouraging them by not taxing such benefits currently. The theory of constructive receipt should not apply to transferred (preserved) benefits, even though they may pass through the hands of the terminating employee on the way to being preserved.

Moreover, from a social point of view, it makes no difference whether the benefit that is preserved is the whole or only a part of the vested benefit. It is just as important socially to encourage the preservation of a part of a benefit as it is to encourage the preservation of the whole. Therefore the relief from immediate tax should apply to whatever part is preserved. To encourage preservation, the terminating employee should not be forced to choose to preserve all or none. This means that the favorable tax treatment now available to a "total distribution" under Section 72(n) of the Code should be made available to whatever part of the benefit is actually taken in a lump sum and not preserved.

I would go even further by suggesting that the transfer feature should be available for any part of any distribution regardless of whether such distribution results from termination of service or from some other cause, such as termination of a plan. Moreover, the favorable tax treatment provided under Section 72(n) should be available for any part of any distribution even though the distribution does not result from a termination of employment. This would mean amending Section 72(n)(1)(B) to including termination of a plan as well as separation from service. Plan termination is discussed at more length below.

Practical Application—I suggest that before HR 12272 becomes law it should be amended to permit and encourage transfers from any one of the following types of plans to any other of them:

(a) Qualified pension plan.
(b) Qualified profit-sharing plan.
(c) Keogh (HR 10) plan.
(d) QIRA plan.
(e) Tax-deferred 403(b) plan.

CONSEQUENCES OF SUGGESTION

This would mean, for example, that under the law any part of any benefit vesting in an employee under a qualified pension plan could be transferred into a Keogh plan or a tax-deferred 403(b) annuity or a profit-sharing plan. For that matter, there is no reason why the vested benefit could not be broken up and transferred into two or more of the various types listed above. Each one provides for deferment of tax so that it does not matter where the vested benefit is transferred to and preserved.

Some pension plans do not provide for vested benefits to be removed from them in event of terminations of employment. Under such a plan, preservation of a vested benefit would take place in the plan where it accumulated. I am not suggesting that the law should require that a plan must provide for a transfer of a benefit from it, but that the law should permit and encourage such a transfer.

WIDE RANGE OF VEHICLES

Under HR 12272, a wide range of vehicles would apparently be permitted for QIRA plans. Proposed Section 408(a)(3) would permit contributions to a QIRA plan to be "held in trust for, or in the custody of, a bank—, a credit union—or other person who demonstrates to the satisfaction of the (IRS) that the manner in which he will hold or have custody of such assets will be constant with the requirements of [Section 408(a)(3)]." In addition, Section 408(b)(3) would permit contributions to be deposited in a common trust fund. Although Section 408(a)(3) could perhaps be expanded to be more specific as to the vehicles available for QIRA plans, I believe that the proposed wording would permit the use of at least the following vehicles, provide suitable restrictions are placed on their use:

(a) Annuity contracts.
(b) Life insurance policies involving a savings element (i.e., cash value).
(c) Mutual fund shares, providing they are held under the terms of a document that effectively controls the disposition of the shares.
(d) Trust company or bank certificates.
(e) Credit union certificates.
(f) Face amount certificates.
(g) Regular bank savings accounts with S & Ls would probably not be suitable; however, it is likely that the banks and the S & Ls could develop vehicles that would contractually impose the required restrictions and would thus be suitable.
(h) United States government bonds.

This would mean that, insofar as the life insurance industry is concerned, a terminating employee could choose to put his vested benefit in any one of the following:

(1) A fixed annuity contract issued by any one of probably several hundred life insurance companies.
(2) A variable annuity contract issued by any one of probably several dozen life insurance companies.
(3) A wide variety of cash value life insurance policies issued by any one of probably several hundred life insurance companies.
(4) A fund plan or contract based on equity investments issued by any one of hundreds of mutual fund companies.

Moreover, the employee could probably choose various combinations of these vehicles.

Timing of Transfer—Under the proposed Section 72(p)(1) of HR 12272, the transfer from one QIRA plan to another must be made within 60 days of the date of the distribution from the original QIRA plan. This restriction seems to be unnecessarily tight. If a taxpayer received a distribution near the end of his taxable year, it would appear that he would have to transfer it in that taxable year even though there may be much fewer than 60 days left. If he did not make the transfer in the taxing year, then when he later makes the transfer in the next taxable year (but still within the 60-day period) he would have to file a revised tax return for the preceding taxable year. I suggest that the taxpayer should be permitted to make the transfer at any time within the taxable year of the distribution or within a 60-day period following the end of such taxable year.

APPLY TO ALL TRANSFERS

If the Internal Revenue Code is amended as suggested above to permit transfers from any one of the various plans listed to any one or more of such plans, then I suggest that the same period should be available to the full range of permissible transfers.

Such freedom of timing for making transfers is certainly desirable from a social viewpoint. This is another encouragement that could be granted, and it could be granted without tax loss to the government.

Termination of Plan—Sections 402(a)(1) and 403(a)(1) of the Internal Revenue Code provide that any distribution made to anyone under a qualified plan is taxable to him in the year of distribution. However, if this distribution is a total distribution and if it is in respect to an employee's death or termination of employment, an income-averaging option under Section 72(n) is available to the recipient of the distribution.

A corollary of this provision for an optional method of taxation is that, if the distribu-

tion does not result from a termination of employment but from a termination of a plan, the special income-averaging option in Section 72(n) is not available.

Quite frequently, a termination of a plan and a termination of employment result from the same cause and are in essence parts of the same event. Moreover, the question of which action (termination of plan or termination of employment) occurs first is little more than a technicality and in many cases an accidental and unconsidered technicality.

EQUAL TAX TREATMENT

From a social point of view, I suggest that in many (if not all) cases of plan termination, the same tax treatment should be granted to a distribution as for a distribution in case of termination of employment.

QIRA Plan Qualification—Proposed new Section 408 sets down a list of requirements that a QIRA plan vehicle must comply with in order to be qualified. These requirements are much like those imposed on a self-employed individual under a Keogh plan. The new Section 408 does not specify by what means the restrictions are to be imposed on or incorporated in any QIRA plan vehicle. In fact, as mentioned above, it gives very little indication as to what type of vehicle can be used, although the vehicles listed above would seem to be acceptable.

It would seem wise for the life insurance industry to start giving consideration immediately to what vehicles should be used and how the restrictions should be embodied in them. I suggest that the industry study the procedures that have been used in Canada since 1957 when "Registered Retirement Savings Plans" (RSPs) were introduced. An RSP is very much like a QIRA plan and must be restricted in much the same way.

Under the Canadian procedure for RSPs, any life insurance product that has a cash value can be registered (qualified). The basic insurance contract is applied for, issued and paid for in the normal way. To convert the contract into an RSP, the following steps are taken:

(a) The policyholder signs an amendment to the contract that imposes on its provisions the requirements specified for an RSP. A copy of this amendment is attached to the contract and becomes an integral part of it. A draft of this amendment form has been previously submitted to and approved by the government.

(b) The insurance company maintains a file of all RSPs and informs the government periodically of the details of the RSPs newly registered. In effect, the insurance company acts as the agent of the government in performing the registration.

(c) The insurance company issues a special certificate to the taxpayer once a year informing him of the portion of the premium that is an RSP contribution and the portion (if any) that is life insurance cost. This cost is determined only once on a level premium basis rather than yearly as required under PS 58. This method saves considerable cost and is much more understandable and satisfactory to the taxpayer.

(d) The taxpayer claims his RSP contribution as a deduction on his tax return and attaches a copy of the certificate in (c) to substantiate it.

(e) At retirement, the insurance company issues a form to the taxpayer informing him of the amount of the distribution that he must include in his gross income and sends a copy of it to the government.

If a Canadian taxpayer receives a distribution from a qualified plan of any sort (pension plan, profit-sharing plan, RSP) and wishes to preserve it, he may deposit it (or any part of it) in an RSP. The procedure is to include the full distribution as income on his tax return and then to claim a deduction under (d) above for whatever part of it is used as a contribution for an RSP. In order that this transfer privilege will not interfere with the amount of the contribution limits imposed, a special form is signed by the taxpayer and copies of it are filed with the government and the insurance company. This form gives information respecting the source and amount of the transferred funds.

Special Fund—Senator Javits' Bill S2 would provide for a "Special Fund" to be established by a Pension Commission to receive vested benefits transferred out of qualified plans. In Ontario, the Pension Benefits Act, 1965, (which served as the original model for Bill 2) contains a provision that would permit the establishment of a "Pension Agency" that would be quite similar to the "Special Fund." However, no such Pension Agency has been established and there is little or no reason for one to be established. In Canada, a vested benefit from a registered (qualified) pension plan or a registered profit-sharing plan can be transferred to another registered plan or to an RSP or the vested benefit may be retained in the plan where it developed.

Because the vehicle used for a Canadian RSP can be any one of a very wide range of vehicles quite similar to the range described above, there has been no reason for a Pension Agency to be established. As a matter of fact, the very wide range of choices available to a terminating employee serves his needs far better than would the transferring of his vested benefits to a Pension Agency or Special Fund.

Conclusion—The time has come for a re-examination and re-assessment of the philosophy behind the several sections of the Internal Revenue Code on which the private pension plan system is based. Although the existing sections of the Code do provide certain incentives to encourage the accumulation of retirement savings, those sections and the administration of them by the Internal Revenue Service are unduly concerned with limiting the so-called "tax loss" entailed in them, with the result that the accumulation and preservation of the savings are considerably hampered.

As proposed by President Nixon, the existing sections of the Code should be reformed and expanded. Such reforms should be based on the philosophy of aiding in every fashion reasonably possible the accumulation and preservation of retirement savings. The Code should be reformed to facilitate to the utmost such accumulation and preservation rather than to limit them. This change from "limiting" to "facilitating" would admittedly require considerable change in philosophy.

ENCOURAGE SELF-RELIANCE

If the suggestions discussed above were incorporated in the law and in the procedures adopted by the Internal Revenue Service, then I submit that the government would indeed be working to encourage the citizens of the United States to develop the qualities of self-reliance, prudence and independence that President Nixon advocated in his statement to the Congress.

IMPROVEMENT OF CHILD NUTRITION PROGRAMS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BELL) is recognized for 15 minutes.

Mr. BELL. Mr. Speaker, I am pleased to join Mr. QUIE and other colleagues in introducing today legislation to amend the National School Lunch Act and the Child Nutrition Act of 1966. This legislation will provide States and schools with a sounder base to undertake both short- and long-range plans to extend and improve school food service. As ranking Republican on the General Subcommittee on Education, which handles this subject, I am particularly pleased by the President's initiative.

The legislation I am cosponsoring is one part of a three-part child nutrition initiative announced by President Nixon earlier this week. In addition to this legislation, the President has sent budget amendments to the appropriations committees doubling the amount of funds available for summer feeding programs this summer and requesting additional funds for school breakfasts in the coming year so that an additional 3,000 schools may participate in that program. These are initiatives which I am sure we all approve and applaud.

The legislation I am cosponsoring will reform school lunch and breakfast funding. The outdated method of distributing a fixed amount of lunch and school breakfast funds to States each fiscal year, by apportionment formula, will be replaced by a performance method of funding. It would provide States a predictable basis on which to develop and expand these two programs. Under the performance method, States will be guaranteed an average payment for each lunch or breakfast served during any fiscal year, with additional special payments for lunches or breakfasts served free or at a reduced price.

The level of the guaranteed average per-meal payment to States will be determined under the annual appropriation process.

No State will receive less in section 4 lunch funds, or section 11 lunch funds, or school breakfast funds, than it received in the fiscal year 1972.

The authority for the breakfast program will be made permanent, paralleling the permanent authority for the lunch program.

Systematic guidelines will be established under which States and schools establish eligibility standards for free and reduced price lunches. There will be a minimum-maximum income range, by family size, within which States and schools could establish their standards. Standards for school lunches and breakfasts would be identical.

The authority for equipment assistance to needy schools will be increased to $20 million for each of the fiscal years 1973–75; thereafter, the annual authorization would be $10 million. To increase emphasis on bringing lunch and breakfast programs to needy schools without a food service, 50 percent of the funds made available in 1973–75 will be reserved for the exclusive use of such schools. The Secretary of Agriculture would be authorized to waive the State or local matching requirement for that portion of these reserved funds used to buy equipment for schools in circumstances of severe need.

The legislation would also simplify present matching requirements, and give State legislatures more lead time to plan by relating matching to the previous year's expenditures.

States will have permissive authority

to disburse school lunch and school breakfast funds to schools on an advance or a reimbursement basis. Only a reimbursement basis is now authorized for school lunch. This authority for advance payments is already authorized for the school breakfast program.

Finally, the school lunch, school breakfast, and nonfood assistance programs are extended to the Trust Territory of the Pacific Islands. The Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa already are eligible.

It is just 3 years ago that President Nixon sent his Hunger Message to Congress. Since then there has been dramatic progress in both family-feeding and child-feeding programs. The number of participants in the food stamp program has more than trebled. The number of children reached with a free or reduced price lunch has gone from 3.5 million in March 1969 to 8.3 million in March 1972. Funding for these programs has increased sharply.

The legislation I am introducing will continue the welcome and necessary improvement of our child nutrition programs, improvement in which both the Congress and the executive branch have played major roles.

VIEWS CONCERNING THE PRESIDENT'S POLICY IN SOUTHEAST ASIA

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. HEINZ) is recognized for 15 minutes.

Mr. HEINZ. Mr. Speaker, I rise to express my views concerning the President's recent announcement on U.S. foreign and military policy in Southeast Asia.

There can be no doubt that President Nixon's Monday night announcement represents a substantive and dramatic change in this Nation's conduct of the war in Vietnam. It also represents, quite predictably, a response to the deteriorating military and political situation in South Vietnam brought about by North Vietnam's determined invasion and all-out offensive. With American forces present in South Vietnam, I am sure that no President, irrespective of his intentions or attitude toward the war, could ignore these dramatically changed circumstances and take no action whatsoever.

However, I have deep concern, and many questions, about whether the President's recent actions can be successful in bringing the Vietnam conflict to an end.

I am especially concerned that the President made no indication about how the political future of South Vietnam would be determined subsequent to a cease-fire and the withdrawal of American troops. I raise the question whether or why it is realistic to expect that the North Vietnamese will agree to a cease-fire and a return of our prisoners of war, even with the United States pledged to a 4-month withdrawal, without knowing at the same time what political process will be used to decide the future political fate of South Vietnam, and whether or to what extent that political process and the resulting State brought about will be free from outside or third party intervention.

There is also the question of what we may expect to gain and lose as a consequence of the military actions undertaken. It is by no means certain that the mining of Haiphong and other ports and the interdiction of communications, arms and strategic supplies will be successful in lessening North Vietnam's offensive effort in the south or in compelling the North to accept the President's proposal.

During President Johnson's administration, Defense Secretary McNamara determined that the intensive bombing of the North in 1967 and 1968 was not successful in bringing North Vietnam to the bargaining table. While there are today differing military circumstances and logistical requirements, I am not convinced that there is much chance that the mining and air strikes undertaken by this country will effect and bring about a North Vietnamese change of heart that will lead to successful negotiations.

I am also concerned about the effects on and the results concerning what we hope to achieve with the Soviet Union and the Peoples Republic of China. It is acknowledged that most of North Vietnam's military material is supplied by the Soviet Union, and that nearly 90 percent of the total tonnage of supplies into North Vietnam is transported from or through China by surface conveyance. This being the case, it is difficult to see how the mining of Haiphong and other North Vietnamese territorial waters can substantially reduce the flow of arms and other strategic materiel without the agreement of one or the other of these two powers.

Moreover, it is impossible to comment on our relations with these major and essential suppliers of military equipment to the North without wondering how this Nation's military actions against North Vietnam will effect the President's own initiatives to establish relations with China, achieve strategic arms limitations and meet with the Soviet leaders in Moscow.

While it is conceivable that the administration had some form of prior understanding with Moscow or Peking concerning the situation in North and South Vietnam, the Congress has no objective evidence nor supporting statements from the administration to this effect.

As a Member of the U.S. House of Representatives, I also am concerned that we in the Congress should play our necessary and constitutional role in determining so fundamental a question as that of war or peace. Our involvement in Vietnam has lasted far too long—in fact nearly an entire decade—for the Congress not to seek substantially more information on our policy and its full implications. We must do this if we are to discharge our basic constitutional responsibilities. It is my hope that the vast majority of my colleagues share this view and will join in seeking the answers to these and other pertinent questions concerning the new turn in U.S. policy in Southeast Asia.

On April 21, 1972, I joined with a bipartisan group of 12 Senators and 69 Congressmen to ask to meet with the President to discuss the developing situation in Southeast Asia as soon as possible and well in advance of the President's trip to Russia. I believe this meeting is needed more than ever, and I hope that President Nixon will agree to this meeting at the earliest possible date. I also invite and call upon all those sincerely interested in ending this war, including those who consider themselves loyal supporters of the President, to support this particular effort to discuss frankly and openly with the President these considerable and serious questions.

Mr. Speaker, I express these concerns and ask these questions as one who has been and remains opposed to our involvement in the Vietnamese war. Since coming to Congress, I have supported every responsible effort to end the war. For example, I voted, on November 17, 1971, to amend the defense appropriation bill, H.R. 11731, by calling for a specific date for withdrawal of all U.S. forces in Indochina subject to release of all American POW's, and proposing a July 1, 1972 cutoff date for money to support the maintenance of U.S. military forces and action in Indochina.

I do certainly and most sincerely hope that President Nixon will bring about urgently and quickly an end to the Vietnamese war without congressional action. But I must frankly state, on the basis of the information available to me as I speak today, and in the absence of answers to the questions I have raised, that I see no other responsible course but to continue to support, with my vote and voice, the establishment by the Congress of any reasonable "date certain" for withdrawal from Vietnam necessarily contingent on the return of our American prisoners of war.

THE PRESIDENT'S DECISION

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 10 minutes.

Mr. WOLFF. Mr. Speaker, the President's decision of Monday night means that we have now taken a grave and ominous risk, not for peace, but for war. What he was saying, without saying it all, was there is no hope for peace, there is only the threat of a wider, infinitely more difficult conflict. What Mr. Nixon proved, without attempting to prove it, was no light at the end of the tunnel, only an unending darkness.

What the President announced Monday night, although one will find no reference to it in his speech, is the end of Vietnamization. What he revealed, although that was surely not his intention, is the complete failure of a program that at its best was nothing more than the coining of a new phrase to mask an old policy. Vietnamization was destined to fail, because it depended ultimately,

not upon American military might, but rather the will of the Army of South Vietnam to make war, and they have no will for war.

I understand very well the President's reluctance to talk about the failure of Vietnamization. It was offered to the American people with the promise, if not the pledge, of great success. Like Mr. Nixon's "secret" plan, which did so much to help elect him President, Vietnamization bore the hope of bringing peace to Southeast Asia. But last night, in one of this country's most precarious moments, the illusion of Vietnamization was destroyed forever and Americanization becomes now the order of the day.

In the new Nixon war plan, Vietnamization must now be set aside as a failure. Never mind that Vietnamization cost this Nation over $75 billion. Forget that we lost an additional 20,000 American lives. Put out of your mind the added division it brought to the people of this country. Now, reeling as we and the world are from the complete collapse of Vietnamization, we must now demand a change in the President's policy that will bring American men home, all of them, from POW's to the soldier on the front line.

The war we now wage threatens more than just the people of Vietnam it threatens the peace and stability of the world. It cannot continue. It must be stopped. Our involvement must end.

THE NEED TO INCREASE THE PROPOSED HEALTH BUDGET FOR 1973

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I share the concern expressed by my colleagues with the proposed health budget for fiscal year 1973.

In my position on the Ways and Means Committee, I have recently heard many witnesses speak to our Nation's health needs. The committee hearings on national health insurance impressed me with the urgency of improving the delivery of health care to those that need it.

One step that could be taken now in preparation for the future is to better finance the education of health professionals so that those schools can increase their enrollments now.

The administration's budget request for nursing education is one section where it is easy to see the folly of the budget planners. They propose a cutback of $22 million. There is no new money requested for construction, yet schools must increase enrollments to be eligible for capitation money. I do not need to remind many of you that we still need an additional 400,000 RN's to meet the needs by 1975.

Capitation grants, the only money that goes to the nursing school itself for general support, is budgeted at only 40 percent of the authorization.

Student loans, scholarships, and traineeships are supposed to remain at last year's and the year before levels when the schools had to turn down hundreds of qualified students for nursing, because they did not have the necessary funds to meet students' needs.

The nurse traineeship program is one that must be increased if hospitals and health agencies are to have the nursing leadership needed to provide quality care to the people.

In addition to the lack of support for schools and students for the Nurse Training Act programs, the administration's budget request would also cut back on NIMH funds for nursing education. On one hand we hear that capitation will decrease the need for NIMH support and then we see that only the 40 percent of authorization as I mentioned before, is being requested for the capitation program. It just does not make sense.

The HEW recently released a very interesting report on "Expanding the Scope of Nursing Practice." It is interesting reading for it shows how easily nurses can take on additional responsibilities for health care. After reading the report, it is especially hard to understand why so little consideration for nursing education is given in the HEW budget.

If this House shares my concern for the Nation's health, we will see to it that the health programs get the support needed and that nursing schools will not be required to cut enrollments at this crucial time.

HEALTH MANPOWER

This country is well able to provide better health services to its people than is now the case for some groups of its citizens. In order to do that job we must have enough well-qualified health personnel. Last year this House enacted the Comprehensive Health Manpower and the Nurse Training Acts of 1971. Those pieces of legislation were very carefully costed out and the able chairman of the Health Subcommittee, Mr. PAUL ROGERS of Florida, made sure that the authorizations were not inflated. Schools must increase their enrollments to be eligible for basic support.

Last year we heard from medical, dental, optometry, podiatry, veterinary, and pharmacy schools that many of them were facing serious financial difficulties and that some were likely to have to close if more adequate Federal support was not soon forthcoming.

Now we have seen and studied the proposed budget for health for 1973. Health manpower fares very badly in that budget. There is no sign of progress in spite of the full recognition of need.

The sections of the health manpower budget most in need of increases are capitation, construction, and student aid programs. How can these schools increase enrollments when there is no money requested for construction? Where are the students to be taught? Money this House appropriated for this year is not being released. Instead, it will be carried over for next year. Planning for construction takes time. A school's carefully planned building budget ready to go now will cost thousands more next year and even more the following year. We need the student space now not 10 years from now.

There is absolutely no increase requested for scholarships for any of the health professions. Yet those with children in college today know that costs are increasing every year both for tuition and living expenses at a very rapid rate. If we appropriate only what has been requested we will be actually decreasing the number of dental, pharmacy, medical, and other students in the health field. How can we urge schools to recruit low-income students, provide costly medical programs for some, and yet put forward a health budget such as the one we have pending.

Without realistic support to the schools themselves through the capitation grant mechanism the financial distress is only going to increase.

Health manpower is a national resource, therefore, the Federal Government must face its responsibilities. We must also recognize the need for the health of the Nation to be one of our top priorities.

THE BIA AND OFF-RESERVATION INDIANS

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER), is recognized for 10 minutes.

Mr. FRASER. Mr. Speaker, today there are hundreds of thousands of American Indians in cities, in rural areas, and an State reservations who are supposedly ineligible to receive services from the Bureau of Indian Affairs because of certain restrictive eligibility policies adopted by the BIA's parent agency, the Interior Department.

Until now, the Department has maintained that the Bureau can directly serve only those Indians living on or near Indian trust land. This policy is not based on congressional intent, however, as an examination of basic Indian legislation shows.

The Bureau of Indian Affairs, itself, has just completed a new study of eligibility policies which concludes that the concept of trust responsibility extends to all tribal Indian people regardless of where they live.

More specifically, the study proposes an extension of BIA services to 36,000 native California Indians whose treaties with the Federal Government have never been ratified, and to 3,000 Indians living on State reservations in nine Eastern and Southern States. Limited education and job placement aid is proposed for approximately 200,000 Indians living in urban areas. The Bureau also recommends that its staff be authorized to assist urban Indians to obtain services from other Government agencies.

Fifty-nine House Members recently wrote to Secretary Morton endorsing the proposal that BIA services be extended to these off-reservation groups.

A copy of our letter follows:

MAY 9, 1972.

HON. ROGERS MORTON,
Secretary, Department of Interior.

DEAR MR. SECRETARY: Today there are thousands of American Indians throughout the United States, in our cities, in our rural areas, and on so-called state reservations who are supposedly ineligible to receive services from the Bureau of Indian Affairs because of a restrictive eligibility policy adopted by

the Department of the Interior. This policy, most recently stated in a January, 1971 memorandum from your Department, holds that the federal government, through the Bureau of Indian Affairs, can directly serve only those Indians living on or near Indian trust land.

This edict has no basis whatsoever in law, however. An examination of the 1921 Snyder Act, the basic authorizing legislation for Indian services, shows a congressional intent to appropriate monies "for the benefit, care and assistance of Indians throughout the United States." There is nothing in the legislation to indicate that it means anything less than it says—"Indians throughout the United States."

In fact, the Bureau has always provided services to off-reservation Indians and continues to do so today. But it must do so in an off-hand manner because the fiction persists that the Bureau is authorized to serve only reservation Indians.

Mr. Secretary, we submit the time has come to end this fiction. The Bureau of Indian Affairs has just completed a new eligibility study partly in response to previous inquiries on this question from many of our offices, and has submitted it to your office for final approval. It concludes, as we have concluded, that the concept of trust responsibility extends to *all* Indian people, regardless of where they reside. We urge you to approve and adopt this study's recommendations, and thereby bring the Department of Interior policy in line with the law, the unmet needs of America's off-reservation Indians, and President Nixon's own commitment to a "new and balanced relationship between the United States government and the first Americans."

Specifically, the study recommends that eligibility be extended to three main groups of off-reservation Indians—urban, rural and state reservation. It should be noted from the outset that the underlying and proven premise of these recommendations is that the Bureau of Indian Affairs is the government agency best suited to understand and deal with Indians and Indian problems. The study does not, as some in the Department have charged, contemplate a doubling of the Bureau's budget or expanded services at the expense of current reservation services. The new off-reservation initiatives are in no way intended to diminish the Bureau's continuing responsibilities to the 480,000 Indians living on or near trust land.

The small additional cost of these new initiatives is not nearly as important as the resolve of the Department of Interior to take a firm position with regard to those terminationists who still do not understand President Nixon's words of July, 1970, when he said, ". . . we have turned from the question of *whether* the Federal Government has a responsibility to Indians to the question of *how* that responsibility can best be fulfilled . . ."

Have we really turned from that question as long as half of America's Indians are denied Indian services?

There are only 800,000 Indians in the whole country. It is not a question of dollars. It is a question of commitment.

We feel, as this study recommends, that Bureau services for urban areas should include higher education scholarship assistance, special education, and job placement, since almost all Indians in the cities can trace their migration there to the encouragement provided by a federal policy or program. We support the conclusion that the Bureau be allowed to take an advocacy role on behalf of urban Indians with other federal agencies. This would be especially important in the effort to fulfill President Nixon's commitment to create urban Indian centers. The current inadequacies of urban services, on the part of both the Bureau and other federal agencies, cannot be overemphasized.

We support the conclusion that eligibility be officially extended to rural off-reservation Indians, such as those in California. From 1851 to 1853 the federal government negotiated eighteen treaties with the California Indians. Relying on the treaties, thousands of Indians left their homelands and moved to the promised reservations. However, these treaties were never ratified. The Indians were left homeless. They could not stay where they were and they could not return to their homes because non-Indians had moved in and taken over. As a consequence, only a small number of California Indians live on reservations.

In addition, the BIA has a regulation stating that Johnson-O'Malley funds are primarily used for school districts with large blocks of tax free Indian lands. However, the original Committee report stated that the Johnson-O'Malley program was intended primarily to aid "those states in which tribal life is largely broken up and in which Indians are to a considerable extent mixed with the general population."

We feel that off-reservation as well as on-reservation Indians should benefit from the Johnson-O'Malley program, in accord with the original intent of Congress.

We support the conclusion that Bureau of Indian Affairs services be extended to the abandoned "state reservation" Indians such as the Passamaquoddy of Maine and the Iroquois of New York who by the accident of not having signed a federal treaty are being denied much needed federal services.

As Congressmen we believe that the time is ripe for taking a bold step forward on behalf of all Indian people. We are all too familiar with the statistics on life expectancy, suicide, literacy rates and the generally disastrous living conditions brought on by years of neglect, exploitation and mistreatment. Because of the limited number of people involved, here is a situation where so few new dollars could do so much.

We must first, however, bring Department of the Interior policy in line with the law which recognizes the problem as one which affects "Indians throughout the United States." If that happens, we are optimistic that the House and Senate Appropriations Committees will look favorably upon requests made by the Department for extended services to non-reservation Indians. We pledge our full support, and hope we have yours.

Sincerely,

Representative James Abourezk.
Representative Bella S. Abzug.
Representative Brock Adams.
Representative Glenn M. Anderson.
Representative Herman Badillo.
Representative Nick Begich.
Representative Alphonzo Bell.
Representative Edward G. Biester, Jr.
Representative Richard Bolling.
Representative William Clay.
Representative George W. Collins.
Representative James C. Corman.
Representative Ronald V. Dellums.
Representative Frank E. Denholm.
Representative John G. Dow.
Representative Don Edwards.
Representative Marvin L. Esch.
Representative Donald M. Fraser.
Representative Bill Frenzel.
Representative Barry M. Goldwater, Jr.
Representative Ella Grasso.
Representative Michael Harrington.
Representative William D. Hathaway.
Representative Henry Helstoski.
Representative Joseph E. Karth.
Representative Robert W. Kastenmeier.
Representative Edward I. Koch.
Representative Peter N. Kyros.
Representative Arthur A. Link.
Representative Paul N. McCloskey, Jr.
Representative John Y. McCollister.
Representative Mike McCormack.
Representative Spark M. Matsunaga.
Representative Lloyd Meeds.
Representative Ralph H. Metcalfe.
Representative Abner J. Mikva.
Representative Patsy Mink.
Representative Parren J. Mitchell.
Representative John E. Moss.
Representative David R. Obey.
Representative James G. O'Hara.
Representative Roman Pucinski.
Representative Thomas M. Rees.
Representative Henry S. Reuss.
Representative Donald W. Riegle, Jr.
Representative Robert A. Roe.
Representative William R. Roy.
Representative Edward R. Roybal.
Representative Philip E. Ruppe.
Representative William F. Ryan.
Representative Paul S. Sarbanes.
Representative James H. Scheuer.
Representative John H. Terry.
Representative Charles Thone.
Representative Lionel Van Deerlin.
Representative Jerome R. Waldie.
Representative Charles H. Wilson.
Representative Sidney R. Yates.
Representative Phil Burton.

MORE FUNDS TO FIGHT HEART DISEASE

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. YATES) is recognized for 5 minutes.

Mr. YATES. Mr. Speaker, the President recommends only $255 million for the National Heart and Lung Institute for fiscal 1973—an increase of only $23 million over the amount appropriated by the Congress last year.

I cannot understand the rationale of this recommendation. Heart disease has reached epidemic proportions in this country killing 1 million Americans a year. By the end of the present decade, it will have claimed 10 million lives—and a high percentage will be in the vulnerable age bracket of 40–55 years. Mainly because of heart disease, America trails 17 other countries in the world in the longevity of its male population.

The American Heart Association estimates that the medical costs for heart disease alone exceeds $6 billion a year—$30 per person—yet the President's budget for fiscal 1973 allocates approximately $1 per person for research into the No. 1 cause of death in this country.

Mr. Speaker, I am happy that last year, on congressional initiative, we passed a comprehensive piece of cancer legislation. Under the authority of that new legislation, the President recommends $432 million for fiscal 1973. I would not spend a penny less in the fight against cancer—in fact, the President's recommendation for the National Cancer Institute for fiscal 1973 is $100 million lower than authorized under the 1971 Cancer Act.

I want more money for cancer, but I want more money for heart disease, too. I am pleased that both Houses of the Congress are currently engaged in considering legislation to lift the authorizations for the National Heart and Lung Institute; but as a practical matter, this proposed legislation will not affect the fiscal 1973 budget.

Mr. Speaker, I commend the gentleman from Florida (Mr. ROGERS) for his critcism of the administration's inadequate medical research recommendations. Significant increases certainly on

the order of $100 million should be added to the appropriations for the National Heart and Lung Institute to show our determination to cut down this massive killer.

EXTRICATING THE UNITED STATES FROM THE VIETNAM WAR

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

Mr. HOWARD. Mr. Speaker, when are we going to extricate ourselves from Vietnam?

How many more American lives must be sacrificed to protect a corrupt government in Saigon which apparently has very little support from its own people.

Mr. Speaker, on Monday night when the President addressed the Nation, much of what he said, I thought, was shocking.

But I do not think we can or should overlook the fact that the President indicated he wants to get all of our American troops out of Vietnam as soon as possible.

I am sure that supporters of the President will argue that the President means just that and that they are hopeful that we in the Congress will pass appropriate legislation to extricate this great country from this most unpopular war.

Some opponents of the President may argue that the President really does not want to withdraw all of our forces from Vietnam. Some might say that if we pass this legislation and all our troops are out of Vietnam by election day, then the President will benefit greatly.

And so what?

I cannot think of anything more important than getting all of our American servicemen out of Vietnam and getting all of our prisoners of war home.

Mr. Speaker, today I am introducing in the House a bill which is being offered in the Senate as an amendment to the Foreign Relations Authorization Act of 1972 by Senators CLIFFORD P. CASE of New Jersey and FRANK CHURCH of Idaho. This language will accommodate the President's stated wish to get out of Vietnam and it will satisfy many of us who feel that we have already been there too long.

I also plan to introduce this language in the Democratic Caucus in the form of a resolution. Identical language has been approved by the Democratic Caucus in the Senate.

The war has dragged on too long. It has been costly in American lives and it has denied many Americans better housing, better transportation, and a host of other services have not been properly funded, because of the cost of the war.

The sooner we get our American servicemen safely out of Vietnam and the sooner we get our prisoners of war returned, the better off this Nation will be.

MORE ON TITLE III OF H.R. 7130

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. GIBBONS) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, many of us have been speaking out in recent weeks about the fact that title III of H.R. 7130—authorizing rigid import and procurement restrictions—would not only fail in its avowed purpose of protecting American industries and workers but would also have disastrous effects on the welfare of American consumers and on our international economic and political relations.

None of us dispute the fact that title III is designed to meet the real problem of economic dislocations, but we take strong issue with its approach to these problems.

Significant efforts are already underway in the administration and in Congress to deal with whatever economic problems may be related to imports. More needs to be done in these areas, including the vigorous promotion of international fair labor standards by the United States. But there is little doubt in my mind, and in the minds of many of my colleagues, that there is no purpose to be served by title III. In fact, approval of title III would be a giant step backwards for us in terms of both workers and consumers and in our efforts in behalf of economic and political cooperation among nations.

Because all too little attention has been given to the issue of consumer welfare in connection with the discussion of title III, I was pleased to learn that the Consumer Education Council on World Trade has issued a "consumer alert" on title III as "a serious blow to every consumer in the country."

I would like to insert at this point in the RECORD the text of the press release which was issued by the Council on this important matter:

"CONSUMER ALERT" SOUNDED ON DENT AMENDMENT; "WOULD BE SERIOUS BLOW TO EVERY CONSUMER IN THE COUNTRY", SAYS CONSUMER SPOKESMAN

WASHINGTON, D.C., May 9, 1972.—A "consumer alert" was sounded here today by the chairman of the recently-organized Consumer Education Council on World Trade.

Mrs. Doreen Brown, chairman of a consumer coalition of national, well-known public-service groups, said that "the Dent Bill now before Congress should concern every consumer in the country." She added that "the bill is of particular interest to consumers in that, unknown to 99% of the American public, it incorporates protectionist legislation into the body of a minimum wage bill." She explains that "the intent and effect of Title III of H.R. 7130 (known as the Dent Bill), which will be debated in the House of Representatives starting Wednesday, May 10, would be to sharply restrict imports, which would in turn raise consumer prices on both imported and on domestically-produced goods."

CONSUMER INTEREST NOT CONSULTED IN SHAPING BILL

Mrs. Brown termed as "misleading for consumers" when such an important and complex subject as foreign trade is legislated simply as an appendage to a minimum wage bill. Moreover, she said: "To the best of my knowledge, no consumer representatives have even testified on Title III of this bill, nor on the inevitable inflationary effect it would have."

DENT AMENDMENT WOULD RESTRICT IMPORTS FROM ALMOST ALL COUNTRIES

Title III, said Mrs. Brown, would provide for erecting import quotas or tariffs whenever imports from countries with lower wages than those of the U.S. were believed to threaten any U.S. workers or communities. "Worded so loosely", she said, "this bill could very well mean that practically all imports from every country except Canada would be subject to restriction. Prices would rise sharply as a result of this elimination of competition and consumers would find themselves paying a hidden subsidy to the special interests who hope to benefit from protectionism." It is for these reasons that the CECWT is circulating information material on this legislation to its cooperating organizations.

COUNCIL FORMED TO INFORM, ASSIST CONSUMERS

The Consumer Education Council on World Trade, which was officially formed only last month, serves in an educational capacity to its cooperating organizations (see following list). It has already published a pamphlet in which it said that the average American family currently pays from $200 to $300 yearly for various import restrictions, and warned that additional protectionist legislation (such as the Dent amendment) could bring this total up to $500 to $600 per family annually.

Cooperating organizations of the CECWT include:

National Council of Churches.
American Association of University Women.
National Farmers Union.
Consumers Union of the U.S.A.
National Council of Catholic Laity.
National Council of Jewish Women.
Y.W.C.A. National Board.
United Church of Christ.
National Council of Negro Women.
Americans for Democratic Action.
Church Women United.
Washington Office, Y.W.C.A. National Board.
United Presbyterian Church.
Cooperative League of the U.S.A.
Japanese-American Citizens League.
National Federation of Settlements and Neighborhood Centers.
U.S. Catholic Conference.

IS NADER CLEAN?

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

Mr. DEVINE. Mr. Speaker, the news media gives much space to Ralph Nader and his enthusiastic information seekers. Particularly, Nader's announced in-depth probe of the Congress is getting much copy.

The following UPI story out of Los Angeles is interesting, and if true, perhaps would suggest Mr. Nader put his own house in order before he investigates the people's House:

RALPH NADER SUED BY SOLE CONTEST ENTRANT

LOS ANGELES.—It probably had to happen. Someone is suing Ralph Nader for allegedly concealing facts, withholding funds and engaging in misrepresentations to save money.

Donald Gordon, a lawyer, said yesterday he had filed suit against Mr. Nader, John Esposito, a Nader aide and a Nader organization, the Center for Study of Responsive Law.

Mr. Gordon said that as a law school senior at the University of Southern California in

1970, he entered an 80-page paper, with 196 footnotes, in a contest sponsored by the Center on the theme of corporate responsibilities over and above carrying on business. A first prize of $750 was offered.

When he failed to hear from the contest officials, and never heard of any winners, he wrote the center, Mr. Gordon said. Eventually he received a letter from Mr. Esposito saying there were so few entrants the contest had been cancelled, he said.

More letters followed, including some from his law school dean and later from the senior partner of his law firm, since by then he had graduated.

Eventually, Mr. Esposito admitted that Mr. Gordon was not one of a few entrants, but the only entrant, Mr. Gordon said. Mr. Gordon pressed on. Being the only entrant, he had to be the winner, he argued, demanding the $750 prize.

Later Mr. Esposito said Mr. Gordon's paper was terrible, but he hadn't been told that didn't want to hurt his feelings, Mr. Gordon said.

Instead, Mr. Gordon filed suit for $4,750—the amount of the prize plus $4,000 punitive damages.

ADMINISTRATION HEALTH BUDGET UNACCEPTABLE

(Mr. O'NEILL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, one of our highest national priorities in America today is adequate Federal financing of health programs. We need to secure a level of Federal funding that is commensurate with our urgent national needs in health. The cost of health care continues to soar while the quality of health care continues to decline. Too many Americans receive inadequate health care services because of insufficient facilities and high cost.

The administration's budget for NIH and HSMHA for fiscal year 1973 does not allow for innovation or sufficient growth of the critical health programs which have been authorized by Congress. I believe that the administration's health budget for fiscal year 1973 clearly provides unacceptable Federal financing of essential health programs. Huge differences exist between the administration's budget and the amount that Congress has authorized.

Let us look at a couple of examples where the administration has proposed inappropriate cutbacks for fiscal year 1973. I am sure my colleagues recall last year the congressional passage of the Comprehensive Health Manpower Training Act of 1971 and the Nurse Training Act of 1971 in which we established new programs for the support of health education through NIH. The intent of these two laws was to reduce the critical shortage of adequately trained personnel in the medical profession. Administration's fiscal 1973 budget for the entire health manpower program under NIH amounts to $533.6 million, which has been reduced by nearly two-thirds of the total authorization or estimated need. In nursing, Congress authorized $82 million for fiscal year 1973. The administration's budget recommends only $33 million, and capitation grants for schools of medicine, dentistry, osteopathy were reduced by the administration from the $213 million that Congress found necessary to about $138 million. How can medical training schools expand their pool of trained medical and paramedical personnel and consequently expand the whole range of health services with no more support than this meager administration request?

Let us look at the allocation for mental health programs. The administration will allow less than two-thirds of the full authorization or need for the combined mental health program of HSMHA. In the critical area of health services delivery through HSMHA programs, the administration is recommending only three-fourths of the billion dollars authorized for that program. Preventive health services which includes infectious diseases control would be cut by $85 billion, under the administration's budget. For the third consecutive year, the administration will allow no increase in formula grants to States with comprehensive health services. While the authorization for this program is $165 million, the administration request for fiscal year 1973 is only $90 million.

Let us look at one of the most vital areas to our Nation's health—the area of construction and modernization of health facilities. This area is just as underfunded in the administration's budget as the areas of manpower and health services. I find that the administration's budget for construction grants is totally unacceptable for fiscal year 1973. Congress authorized $250 million in construction grants for medical, dental, and related health professions for schools and training facilities. Do you know what the administration has recommended in this budget? Absolutely nothing. In other words, the administration is telling the American people that there will not be any funds for fiscal year 1973 for construction of medical schools, hospitals, community mental and health centers.

The Hill-Burton program, an important project in my area for hospital construction grants, would be phased out. For several years, citizens of my State have benefited from hospitals and clinics which were constructed from Hill-Burton funds. Total construction grants for hospitals and public health centers would be reduced from the authorized $157.5 million to zero. Authorizations of $85 million for long-term care facilities and another $90 million to modernize outdated buildings have been all cut by the administration to zero.

It seems to me that in order to improve our national needs in health care, we need to renew our obsolete urban hospital facilities. Professional estimates claim that ultimately $12 billion will be required to modernize these medical centers of our large cities. Yet for fiscal year 1973 the administration has cut modernization grants from $90 million authorized by Congress to zero. This irresponsible reduction in urgently needed modernization grants is inexcusable.

My colleagues will also recall that last year Congress launched an all-out attack on cancer, a disease which kills annually 323,000 Americans, which is 5½ times the number of Americans killed yearly in automobile accidents. For fiscal year 1973, Congress authorized $532 million for the National Cancer Institute. The administration however recommends only $432 million. Nearly 40 percent of American deaths each year are from heart disease. The administration recommends $255 million for the National Heart Institute. Congress estimated the needs of the Institute to be $80 million above this administration's level.

For all remaining research programs of NIH, research programs for dental health, arthritis and metabolic diseases, neurological diseases, the administration has recommended increases of only 3.3 percent above the fiscal year 1972 levels. That increase is half of the annual inflation rate for health research.

Mr. Speaker, I believe that the reductions in the health budget show a lack of commitment by the administration to improve essential health care programs in this country. Far too many critical health programs will receive unacceptable Federal funding if the administration's budget stands. The administration has ignored our recommendations. It is now up to the Congress to alter the President's health budget in order to provide adequate Federal financing of needed health programs.

END THE WAR

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

Mr. SNYDER. Mr. Speaker, today I introduced a House concurrent resolution which I believe expresses the best prospects for peace in Southeast Asia and which I do not hesitate to label an "End the War" resolution.

The wording follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that a complete withdrawal of all American forces from Vietnam should be accomplished within four months after—

(1) the establishment of an internationally supervised ceasefire throughout Indochina, and

(2) the release of all American prisoners of war held as a result of the present conflict in Southeast Asia.

As will be readily observed, the two conditions which are contained in the resolution are identical to the two set forth by President Nixon in his broadcast address to the Nation on Monday night, May 8.

The central reason I have for introducing this resolution at this time is that—if it is passed—it will represent the determination of both Houses of Congress to bring the debilitating Vietnam conflict to an end rapidly and with honor.

It says to the Communists that the U.S. Congress is united with the American people in declaring for peace and an end to American involvement in Vietnam—but also that the Communists must do their part to bring about this result too. It also says to the President that we fully expect him to meet the 4-

month withdrawal deadline which he indicated would be his course when and if the two conditions were met.

Mr. Speaker, the sagacity and commonsense of the proposal contained in the President's message—and in the wording contained in this resolution—are underscored by the results of a poll taken on Tuesday, May 9—the day after the President's address—by the Opinion Research Corp. It showed that, with regard to the President's pledge of a 4-month withdrawal date contingent upon the satisfaction of the two conditions, 75 percent of the American people support the President's action—while only 17 percent disagree.

Another index of the widespread support which this concept has engendered is the fact that—within half an hour of the time I began circulating the draft of the resolution on the floor today—24 of my colleagues had signed in cosponsorship and a number of others had asked to.

I am sure that most of my colleagues here in the House will want to join me—and the American people—in presenting a united front for peace—and for the end of the war.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RANGEL (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. ROONEY of New York, for Wednesday, May 10, 1972, after 5 p.m. on account of meeting of Regents of the Smithsonian Institution.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PEYSER) and to revise and extend their remarks and include extraneous matter:)

Mr. ESCH, for 15 minutes, today.

Mr. HARVEY, for 5 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. QUIE, for 15 minutes, today.

Mr. MCDADE, for 5 minutes, today.

Mr. SHRIVER, for 10 minutes, today.

Mr. HALPERN, for 10 minutes, today.

Mr. ANDERSON of Illinois, for 15 minutes, today.

Mr. BELL, for 15 minutes, today.

Mr. HEINZ, for 10 minutes, today.

(The following Members (at the request of Mr. LINK) and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 10 minutes, today.

Mr. WOLFF, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Mr. FRASER, for 10 minutes, today.

Mr. YATES, for 5 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. GIBBONS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROUSH and to include extraneous matter.

Mr. BEVILL (at the request of Mr. PERKINS) to extend his remarks prior to the vote on the conference report on H.R. 9212.

Mr. RHODES, and to include an editorial from the Christian Science Monitor.

Mr. GERALD R. FORD, immediately following the remarks of Mr. RHODES, and to include an article from the Washington Post.

Mr. HÉBERT to follow the remarks of Mr. RHODES while speaking out of order on House Resolution 968 and to include extraneous matter.

Mr. COLMER to revise and extend the remarks he made on House Resolution 968.

Mr. DELLUMS, immediately following the debate on Fair Labor Standards Act in the Committee of the Whole today.

(The following Members (at the request of Mr. PEYSER) and to include extraneous matter:)

Mr. CONTE.

Mr. WHALEN.

Mr. ZWACH.

Mr. DERWINSKI in four instances.

Mr. FREY.

Mrs. HECKLER of Massachusetts.

Mr. ESCH.

Mr. HASTINGS.

Mr. SCHERLE.

Mr. DEVINE.

Mr. CARTER in two instances.

Mr. NELSEN.

Mr. BOB WILSON.

Mr. WYMAN in two instances.

Mr. MCCLORY.

Mr. MCCLOSKEY in two instances.

Mr. KUYKENDALL.

Mr. SCHMITZ in two instances.

Mr. HALPERN in three instances.

Mr. HAMMERSCHMIDT.

Mr. BROOMFIELD.

Mr. LLOYD.

Mr. KEMP in two instances.

Mr. HUTCHINSON.

Mr. HORTON.

Mr. DU PONT.

Mr. GROVER.

Mr. SHOUP in two instances.

(The following Members (at the request of Mr. LINK) and to include extraneous matter:)

Mr. ROSENTHAL in 10 instances.

Mr. ULLMAN in 10 instances.

Mr. HAGAN in three instances.

Mr. RARICK in three instances.

Mr. ROGERS in five instances.

Mr. ROONEY of New York in three instances.

Mr. SYMINGTON in three instances.

Mr. EILBERG in 10 instances.

Mr. WOLFF in two instances.

Mr. GALLAGHER.

Mr. HÉBERT in two instances.

Mr. HUNGATE in four instances.

Mr. DINGELL in three instances.

Mr. FRASER in five instances.

Mr. EDWARDS of California in three instances.

Mr. HOWARD.

Mr. BEGICH in five instances.

Mr. DULSKI in five instances.

Mrs. GRIFFITHS.

Mr. WILLIAM D. FORD in two instances.

Mr. DIGGS in three instances.

Mr. MURPHY of New York in three instances.

Mr. CORMAN in two instances.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8083. An act to amend title 5, United States Code, to provide a career program for, and greater flexibility in management of, air traffic controllers, and for other purposes; and

H.R. 9212. An act to amend the provisions of the Federal Coal Mine Health and Safety Act of 1969 to extend black lung benefits to orphans whose fathers die of pneumoconiosis, and for other purposes.

ADJOURNMENT

Mr. LINK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 11, 1972, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1964. A letter from the Acting Secretary of Agriculture, transmitting a report on the administration of the Animal Welfare Act of 1970; to the Committee on Agriculture.

1965. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to further amend the U.S. Information and Education Exchange Act of 1948; to the Committee on Foreign Affairs.

1966. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the joint resolution providing for membership and participation by the United States in the South Pacific Commission; to the Committee on Foreign Affairs.

1967. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed contract with IIT Research Institute, Chicago, Ill., for a study of "Metallic and Nonmetallic Mining in the United States," pursuant to Public Law 89–672; to the Committee on Interior and Insular Affairs.

1968. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Battelle Memorial Institute, Pacific Northwest Laboratories, Richland, Wash., for a research project entitled "Characteristics of Attached Radon-222 Daughters," pursuant to Public Law 89–672; to the Committee on Interior and Insular Affairs.

1969. A letter from the Chairman, Railroad Retirement Board, transmitting the Annual Report of the Board for fiscal year 1971; to

the Committee on Interstate and Foreign Commerce.

1970. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide for a change in the titles of the NASA Associate Administrator positions listed under level V of the executive schedule, and to add three more such positions to such schedule; to the Committee on Post Office and Civil Service.

1971. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

1972. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Government Printing Office for fiscal year 1971, pursuant to 44 U.S.C. 309; to the Committee on Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DANIELS of New Jersey (for himself, Mr. ESCH, Mr. MEEDS, Mr. WILLIAM D. FORD, Mr. SCHEUER, Mr. BIAGGI, Mrs. GRASSO, Mrs. HICKS of Massachusetts, Mr. QUIE, Mr. FORSYTHE, Mr. PEYSER, Mr. CLAY, Mr. BELL, Mr. HANSEN of Idaho, Mr. KEMP, Mr. FRENZEL, Mr. GALIFIANAKIS, Mr. CÓRDOVA, Mr. ROY, Mr. RAILSBACK, and Mr. BROYHILL of North Carolina):

H.R. 14880. A bill to provide for the comprehensive development of correctional manpower training and employment, and for other purposes; to the Committee on Education and Labor.

By Mr. DANIELS of New Jersey (for himself, Mr. ESCH, Mr. HARRINGTON, Mrs. ABZUG, Mr. GUDE, Mr. RANGEL, Mr. PEPPER, Mr. FASCELL, Mr. DANIELSON, Mr. NEDZI, Mr. ANDERSON of Tennessee, Mr. WYDLER, Mr. MIKVA, Mr. CLEVELAND, Mr. ADDABBO, Mr. HICKS of Washington, Mr. CHARLES H. WILSON, Mr. PODELL, Mr. HEINZ, Mr. FRASER, Mr. DAVIS of Georgia, and Mr. HILLIS):

H.R. 14881. A bill to provide for the comprehensive development of correctional manpower training and employment, and for other purposes; to the Committee on Education and Labor.

By Mr. ANDERSON of Illinois (for himself, Mr. BEGICH, Mr. BROWN of Michigan, Mr. COUGHLIN, Mr. DAVIS of Georgia, Mr. MATSUNAGA, and Mr. WARE):

H.R. 14882. A bill to amend the Internal Revenue Code of 1954 to provide that employees receiving lump sums from tax-free pension or annuity plans on account of separation from employment shall not be taxed at the time of distribution to the extent that an equivalent amount is reinvested in another such plan; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 14883. 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. ASPIN (for himself, Mr. ANDREWS of North Dakota, Mr. BEGICH, Mr. BROWN of Ohio, Mr. BURTON, Mr. CASEY of Texas, Mr. COLLINS of Illinois, Mr. DANIELSON, Mr. EDWARDS of California, Mr. FINDLEY, Mr. HAWKINS, Mrs. HECKLER of Massachusetts, Mr. HEINZ, Mr. KOCH, Mr. KYROS, Mr. MITCHELL, Mr. PRYOR of Arkansas, Mr. ROSENTHAL, Mr. STRATTON, Mr. WALDIE, and Mr. WOLFF):

H.R. 14884. A bill to amend the Communications Act of 1934 to prohibit making unsolicited commercial telephone calls to persons who have indicated they do not wish to receive such calls; to the Committee on Interstate and Foreign Commerce.

By Mr. BEGICH:

H.R. 14885. A bill to amend the age and service requirements for immediate retirement under subchapter III of chapter 83 of title 5, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BRADEMAS:

H.R. 14886. A bill to amend the Education of the Handicapped Act to provide for improved opportunities for handicapped persons, and for other purposes; to the Committee on Education and Labor.

By Mr. CELLER:

H.R. 14887. A bill to amend the Internal Revenue Code of 1954 to provide an additional exemption of $750 for certain individuals who are apartment dwellers or who otherwise rent their principal residence; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. DOW, Mrs. ABZUG, Mr. BADILLO, Mr. BIAGGI, Mr. BINGHAM, Mr. BRADEMAS, Mr. BUCHANAN, Mr. COTTER, Mr. DANIELSON, Mr. DELLUMS, Mr. FRENZEL, Mrs. GRASSO, Mr. GUDE, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. MCCLOSKEY, Mr. MATSUNAGA, Mr. MOSS, Mr. O'HARA, Mr. PIKE, Mr. REES, Mr. SCHEUER, Mr. SEIBERLING, and Mr. WALDIE):

H.R. 14888. A bill to establish a commission to investigate and study the practice of clear-cutting of timber resources of the United States on Federal lands; to the Committee on Agriculture.

By Mr. FREY:

H.R. 14889. A bill to amend the Controlled Substances Act to provide increased penalties for distribution of heroin by certain persons, and to provide for pretrial detention of such persons; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLAGHER:

H.R. 14890. A bill to amend titles 5 and 28 of the United States Code, and the Omnibus Crime Control and Safe Streets Act, with respect to the position and duties of the Director of the Federal Bureau of Investigation, and for other purposes; to the Committee on the Judiciary.

By Mr. GARMATZ (for himself, Mr. CLARK, Mr. LENNON, Mr. MAILLIARD, Mr. PELLY, Mr. GROVER, Mr. KEITH, and Mr. STEELE):

H.R. 14891. A bill to amend title 14, United States Code, to authorize involuntary active duty for Coast Guard Reservists for emergency augmentation of regular forces; to the Committee on Merchant Marine and Fisheries.

By Mrs. GRASSO (for herself, Mr. COTTER, Mr. GIAIMO, Mr. MCKINNEY, Mr. MONAGAN, and Mr. STEELE):

H.R. 14892. A bill to amend section 109 of title 38, United States Code, to provide benefits for members of the armed forces of nations allied with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. KEITH:

H.R. 14893. A bill to amend title XVII of the Social Security Act to provide financial assistance to individuals suffering from chronic kidney disease who are unable to pay the costs of necessary treatment, and to authorize project grants to increase the availability and effectiveness of such treatment; to the Committee on Ways and Means.

By Mr. LINK:

H.R. 14894. A bill to amend chapter 15 of title 38, United States Code, to provide for the payment of pensions to World War I veterans and their widows, subject to $3,000 and $4,200 annual income limitations; to provide for such veterans a certain priority in entitlement to hospitalization and medical care; and for other purposes: to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 14895. A bill to amend chapter 44 of title 18 of the United States Code to limit the availability of guns not suitable for lawful sporting purposes; to the Committee on the Judiciary.

By Mr. PERKINS (for himself and Mr. QUIE):

H.R. 14896. A bill to amend the National School Lunch Act, as amended, to assure that adequate funds are available for the conduct of summer food service programs for children from areas in which poor economic conditions exist and from areas in which there are high concentrations of working mothers and for other purposes related to expanding and strengthening the child nutrition programs; to the Committee on Education and Labor.

By Mr. QUIE (for himself and Mr. PERKINS):

H.R. 14897. A bill to provide that in the administration of the School Lunch and Child Nutrition Act, the Secretary of Agriculture shall, within limits which he will prescribe, permit the operation of certain food vending machines in participating schools where the proceeds of such operations go to organizations sponsored or approved by the school; to the Committee on Education and Labor.

By Mr. QUIE (for himself, Mr. ASHBROOK, Mr. BELL, Mr. ERLENBORN, Mr. DELLENBACK, Mr. ESCH, Mr. ESHLEMAN, Mr. LANDGREBE, Mr. HANSEN of Idaho, Mr. FORSYTHE, Mr. VEYSEY, Mr. KEMP, Mr. PEYSER, and Mr. CARLSON):

H.R. 14898. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Education and Labor.

By Mr. ROGERS (for himself, Mr. KYROS, Mr. PREYER of North Carolina, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. MONAGAN, and Mr. ROBISON of New York):

H.R. 14899. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to assure that the public is provided with safe drinking water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH:

H.R. 14900. A bill to amend the Internal Revenue Code of 1954 to raise needed additional revenues by tax reform; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 14901. A bill to modify ammunition recordkeeping requirements; to the Committee on Ways and Means.

By Mr. RUNNELS:

H.R. 14902. A bill to authorize the conveyance of certain lands to the New Mexico State University, Las Cruces, N. Mex.; to the Committee on Interior and Insular Affairs.

By Mr. SIKES (for himself, Mr. DERWINSKI, Mr. WYATT, Mr. DUNCAN, Mr. KUYKENDALL, Mr. MATHIS of Georgia, Mr. LEGGETT, Mr. BEVILL, Mr. KEMP,

Mr. CLEVELAND, Mr. MONTGOMERY, and Mr. CARTER):

H.R. 14903. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. UDALL (for himself, Mr. BEGICH, Mr. COUGHLIN, Mr. MCCLOSKEY, and Mr. ROY):

H.R. 14904. A bill to regulate State presidential primary elections; to the Committee on House Administration.

By Mr. VEYSEY:

H.R. 14905. A bill to amend the Tariff Schedules of the United States to apply to fresh grapes imported between May 1 and June 30 of each year the same rate of duty as applies to grapes imported between February 15 and March 31; to the Committee on Ways and Means.

H.R. 14906. A bill to amend the Social Security Act to increase benefits and improve eligibility and computation methods under the OASDI program, to make improvements in medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, and for other purposes; to the Committee on Ways and Means.

By Mr. VEYSEY (for himself, Mr. TEAGUE of California, Mr. BELL, Mr. DEL CLAWSON, Mr. HANNA, Mr. HOSMER, Mr. MCFALL, Mr. PETTIS, Mr. REES, Mr. TALCOTT, Mr. VAN DEERLIN, and Mr. BOB WILSON):

H.R. 14907. A bill to provide an emergency operating loan program for farmers whose poultry is slaughtered in order to avoid the spreading of exotic avian newcastle disease, and to authorize the Secretary of Agriculture to buy surplus eggs from such farmers; to the Committee on Agriculture.

By Mr. DOW (for himself, Mrs. ABZUG, Mr. ANDERSON of Tennessee, Mr. BUCHANAN, Mr. BURTON, Mr. COLLINS of Illinois, Mr. DENHOLM, Mr. DRINAN, Mr. HALPERN, Mr. HELSTOSKI, Mrs. HICKS of Massachusetts, Mr. MIKVA, Mrs. MINK, Mr. MITCHELL, Mr. MOORHEAD, and Mr. SARBANES):

H.R. 14908. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 with respect to the effective date of the non-Federal share of the costs of certain programs of that act, and for other purposes; to the Committee on the Judiciary.

By Mr. HÉBERT (for himself, Mr. ARENDS, Mr. BYRNE of Pennsylvania, Mr. CHARLES H. WILSON, Mr. NICHOLS, Mr. BRINKLEY, Mr. ASPIN, Mr. GUBSER, Mr. HUNT, and Mr. WHITEHURST):

H.R. 14909. A bill to amend section 552(a) of title 37, United States Code, to provide continuance of incentive pay to members of the uniformed services for the period required for hospitalization and rehabilitation after termination of missing status; to the Committee on Armed Services.

By Mr. HELSTOSKI:

H.R. 14910. A bill to amend the Public Health Service Act to provide for the prevention of Cooley's anemia; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN (for himself, Mr. DICKINSON, Mr. BYRNE of Pennsylvania, Mr. CHARLES H. WILSON, Mr. NICHOLS, Mr. BRINKLEY, Mr. ASPIN, Mr. GUBSER, Mr. HUNT, and Mr. WHITEHURST):

H.R. 14911. A bill to amend titles 10 and 37, United States Code, to authorize members of the Armed Forces who are in a missing status to accumulate leave without limitation, and for other purposes; to the Committee on Armed Services.

By Mr. MCCLOSKEY:

H.R. 14912. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received by attorneys from the representation of indigent persons; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 14913. A bill to permit the State of West Virginia to obtain social security coverage, under its State agreement entered into pursuant to section 218 of the Social Security Act, for policemen and firemen in certain cities, and to validate certain past coverage for such policemen and firemen; to the Committee on Ways and Means.

By Mr. SHOUP:

H.R. 14914. A bill to amend section 318 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (for himself, Mr. BYRNE of Pennsylvania, Mr. CHARLES H. WILSON, Mr. NICHOLS, Mr. BRINKLEY, Mr. ASPIN, Mr. GUBSER, Mr. HUNT, and Mr. WHITEHURST):

H.R. 14915. A bill to amend chapter 10 of title 37, United States Code, to authorize at Government expense, the transportation of house trailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movement of dependents and effects, or trailers, of those members in such a status for more than 1 year; to the Committee on Armed Services.

By Mr. BOB WILSON:

H.R. 14916. A bill to authorize equalization of the retired or retainer pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 14917. A bill to authorize the military Secretaries to determine family housing facilities under their jurisdiction to be inadequate as public quarters and permit their voluntary occupancy by military personnel with dependents at a charge less than the occupant's basic allowance for quarters; to the Committee on Armed Services.

H.R. 14918. A bill to provide the Secretary of the Interior with authority to promote the conservation and orderly development of the hard mineral resources of the deep seabed, pending adoption of an international regime therefor; to the Committee on Merchant Marine and Fisheries.

By Mr. CONABLE (for himself, Mr. BOGGS, Mr. SMITH of New York, Mr. CORMAN, Mr. BETTS, Mr. KARTH, Mr. FRELINGHUYSEN, Mr. THOMPSON of New Jersey, Mr. ERLENBORN, Mr. DORN, Mr. GUBSER, Mr. HELSTOSKI, Mr. CONTE, Mrs. ABZUG, Mr. STEIGER of Wisconsin, Mr. ESCH, Mr. KUYKENDALL, Mr. WILLIAMS, Mr. KEMP, Mr. LENT, and Mr. MCKINNEY):

H.J. Res. 1193. Joint resolution to provide for the designation of the week which begins on September 24, 1972, as "National Microfilm Week"; to the Committee on the Judiciary.

By Mr. HOWARD:

H.J. Res. 1194. Joint resolution providing for the termination of hostilities in Indochina; to the Committee on Foreign Affairs.

By Mr. PATTEN:

H.J. Res. 1195. Joint resolution relating to sudden infant death syndrome; to the Committee on Interstate and Foreign Commerce.

By Mr. RHODES:

H. Con. Res. 608. Concurrent resolution declaring the support of Congress for the President's call for the return of all American prisoners of war and an internally supervised cease-fire throughout Indochina; to the Committee on Foreign Affairs.

By Mr. SNYDER (for himself, Mr. ERLENBORN, Mr. ANDERSON of Illinois, Mr. MCDADE, Mr. VEYSEY, Mr. THOMPSON of Georgia, Mr. HAMMERSCHMIDT, Mr. DICKINSON, Mr. J. WILLIAM STANTON, Mr. WIDNALL, Mr. NELSEN, Mr. KUYKENDALL, Mr. KEATING, Mr. BROWN of Ohio, Mr. YOUNG of Florida, Mr. FRENZEL, Mr. ZWACH, Mr. MILLER of Ohio, Mr. SMITH of New York, Mr. HANSEN of Idaho, Mr. BAKER, Mr. COLLIER, Mr. DON H. CLAUSEN, Mr. FRELINGHUYSEN, and Mr. WINN):

H. Con. Res. 609. Concurrent resolution expressing the sense of the Congress with respect to the withdrawal of all American forces from Vietnam; to the Committee on Foreign Affairs.

By Mr. CONYERS (for himself, Mrs. ABZUG, Mr. RYAN, Mr. DELLUMS, and Mrs. CHISHOLM):

H. Res. 976. Resolution impeaching Richard M. Nixon, President of the United States, for abuse of the Office of President and of his power as Commander in Chief of the Armed Forces by ordering the mining of all North Vietnamese ports and the massive aerial bombardment without discrimination as to the lives of civilians in Indochina, and for other high crimes and misdemeanors within the meaning of article II, section 4 of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SNYDER (for himself, Mr. ERLENBORN, Mr. ANDERSON of Illinois, Mr. MCDADE, Mr. VEYSEY, Mr. THOMPSON of Georgia, Mr. HAMMERSCHMIDT, Mr. DICKINSON, Mr. J. WILLIAM STANTON, Mr. WIDNALL, Mr. NELSEN, Mr. KUYKENDALL, Mr. KEATING, Mr. BROWN of Ohio, Mr. YOUNG of Florida, Mr. FRENZEL, Mr. ZWACH, Mr. MILLER of Ohio, Mr. SMITH of New York, Mr. BAKER, Mr. COLLIER, Mr. DON H. CLAUSEN, Mr. HANSEN of Idaho, Mr. FRELINGHUYSEN, and Mr. WINN):

H. Res. 977. Resolution expressing the sense of the House of Representatives with respect to the withdrawal of all American forces from Vietnam; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 14919. A bill for the relief of George W. Spring, Jr; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 14920. A bill for the relief of George Apcar; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 14921. A bill for the relief of Mr. Ates Tanin and his wife, Fatma Sevgi Tanin, and his son, Turan Tanin; to the Committee on the Judiciary.

By Mr. SARBANES:

H.R. 14922. A bill for the relief of Mr. Candido Bueno; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 14923. A bill for the relief of Michael Joseph Wendt; to the Committee on the Judiciary.

By Mr. HUNGATE:

H. Res. 978. Resolution to refer the bill (H.R. 14813) for the relief of Henry D. Espy, James A. Espy, Naomi A. Espy, Jean E. Logan, and Theodore R. Espy to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.