ADJOURNMENT UNTIL 10 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 10 a.m. tomorrow.

The motion was agreed to; and at 2:44 p.m. the Senate adjourned until tomorrow, Tuesday, May 16, 1972, at 10 a.m.

NOMINATION

Executive nomination received by the Senate May 15, 1972:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. George Irvin Forsythe, [redacted] Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES—*Monday, May 15, 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:

I will extol Thee, O Lord, among the nations—Psalm 18: 49.

Eternal God, enlighten our minds with Thy wisdom and capture our hearts with Thy love. Help us to know Thy eternal truth and apply it to our lives.

Watch over our Nation, we pray, and save us from the pitfalls of selfish pride and misused power. Guide all of our leaders that we may with all mankind find the paths of peace.

Give to all of us help in facing our temptations, comfort in bearing our griefs, assurance in handling our anxieties, and wisdom in using our gifts and powers. In the Master's name. 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 amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8116. An act to consent to the Kansas-Nebraska Big Blue River Compact; and

H.R. 14070. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

S. 953. An act to authorize long-term leasing of Indian land on the Walker River Reservation.

The message also announced that the Vice President, pursuant to Public Law 86–830, appointed Mr. PERCY as a member of the Advisory Commission on Intergovernmental Relations in lieu of Mr. MUNDT, resigned.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

ESTABLISHING A COMMISSION ON REVISION OF JUDICIAL CIRCUITS

The Clerk called the bill (H.R. 7378) to establish a Commission on Revision of the Judicial Circuits of the United States.

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

Mr. HALL. Mr. Speaker, reserving the right to object, this bill has been previously "put over" for reasons listed, including the need for questions and answers and debate, and also the suggestion that it be listed on the calendar for consideration under the rules for suspensions. This was done without prejudice. It is now so listed. I am personally appreciative of that.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice on the Consent Calendar.

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

There was no objection.

ARLINGTON HOUSE, THE ROBERT E. LEE MEMORIAL

The Clerk called the bill (H.R. 10595) to restore to the Custis-Lee Mansion located in the Arlington National Cemetery, Arlington, Va., its original historical name, followed by the explanatory memorial phrase, so that it shall be known as Arlington House—the Robert E. Lee Memorial.

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

H.R. 10595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "Joint resolution dedicating the Lee Mansion in Arlington National Cemetery a permanent memorial to Robert E. Lee", approved June 29, 1955 (69 Stat. 190), is amended by striking "Custis Lee Mansion" each place it appears therein and inserting in lieu thereof "Arlington House", the Robert E. Lee Memorial. Any law, map, regulation, document, record, or other paper of the United States in which such mansion is designated or referred to as the Custis-Lee Mansion shall be held to designate or refer to such mansion as the "Arlington House".

With the following committee amendments:

On page 1, line 7, strike out "Custis-Lee Mansion" and insert in lieu thereof "the Custis-Lee Mansion."

On page 1, lines 8 and 9, strike out "'Arlington House', the Robert E. Lee Memorial" and insert in lieu thereof "Arlington House, The Robert E. Lee Memorial".

On page 2, line 4, strike out "the 'Arlington House'" and insert in lieu thereof "Arlington House, The Robert E. Lee Memorial".

The committee amendments were agreed to.

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

The title was amended so as to read: "To restore to the Custis-Lee Mansion located in the Arlington National Cemetery, Arlington, Virginia, its original historial name, followed by the explanatory memorial phrase, so that it shall be known as Arlington House, The Robert E. Lee Memorial."

A motion to reconsider was laid on the table.

SERVICEMEN'S GROUP LIFE INSURANCE COVERAGE FOR MEMBERS OF READY RESERVE AND THE RETIRED RESERVE

The Clerk called the bill (H.R. 14742) to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under servicemen's group life insurance for such members and certain members of the retired reserve up to age 60.

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

Mr. HALL. Mr. Speaker, reserving the right to object, I have studied this bill in detail, along with the report, and fully understand that the establishment of the servicemen's group life insurance (SGLI) coverage for members of the Ready Reserve and the Retired Reserve is a part of the "package" providing incentive, perhaps, for increasing the Reserves up to the authorized numbers, as well as the National Guard; but it is not clear to me from a study of the report and of the bill itself as to why they could not gain this while on their extended active duty training, as many other reservists and guardsmen have and are eligible for, with the same principles of conversion if maintained, at any time prior to their 61st birthdays.

I wonder if the gentleman from Mississippi could explain this, and I am glad to yield to the gentleman for that purpose.

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

As the gentleman will recall, several years ago there was adopted by a unanimous vote in the House and passed by the Congress the provision that we authorize such insurance, up to $15,000, for guardsmen and reservists when they were on active duty or at summer camp and going to and from drills.

They pay for this themselves. That is the law. Under this bill we give them coverage 24 hours a day whether they are in full training or not. This would cost the reservist about $3 a month. Also in the bill a person who has had 20 years' good time has retired in the Reserve or the National Guard can also carry this insurance by paying $6 a month until he reaches the age of 60, then he will receive the retirement benefits. In effect this is a survivor benefit for those reservists between the time when they retire and the time when then reach the age of 60.

Mr. HALL. And it does only apply, I will ask, Mr. Speaker, during the 24-hour period any portion of which they spent on active duty; and it is term insurance, is that correct?

Mr. MONTGOMERY. This is the law now, this bill will protect the reservist whether he is on active duty or not. To the second part of your question this is term insurance.

Mr. HALL. Mr. Speaker, I have one further question under the reservation. The report implies that the insured would bear the cost except for the insignificant expenses of the Veterans' Administration—presumably toward the administration thereof. Is not all of this insurance subsidized in part by the Government, and if so, what would its true cost be?

Mr. MONTGOMERY. I would say it is not subsidized by the Government. There are over 400 insurance companies, commercial companies, who write this insurance. In effect the insured will be paying for the operation costs and also for the coverage itself.

Mr. HALL. Mr. Speaker, in view of the gentleman's explanation, plus the favorable departmental reports and the known need for incentives for "re-upping" in the service and maintaining our Reserves as we cut down on the active duty forces, I withdraw my reservation of objection.

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

Mr. ZWACH. Mr. Speaker, reserving the right to object, and I will not object, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

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

There was no objection.

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

Mr. Speaker, H.R. 14742, a bill I was pleased to cosponsor, provides full-time coverage under servicemen's group life insurance for those members of the Active Reserve forces and the National Guard who are assigned to a unit or position scheduled to perform at least 12 periods of inactive duty training per year that is creditable for retirement purposes. Under existing law, insurance coverage for National Guardsmen and reservists is limited to periods of actual participation in active or training duty.

The bill, Mr. Speaker, also provides full-time coverage under servicemen's group life insurance to reservists and National Guardsmen who, having completed at least 20 years of service that is creditable for retirement purposes, are transferred to the Retired Reserve. Such insurance coverage would terminate upon the receipt of the intial payment of military retired pay. Retired pay in such cases commences at age 60.

At the present time, members of the Reserve and National Guard components become eligible for longevity retirement, in most cases, prior to their 60th birthday. Military retired pay, however, does not begin until the 60th birthday. Despite the fact that the retiree may have elected the family protection plan, which permits the acceptance of a reduced retirement annuity by the retiree, so that his spouse may receive an annuity in the event of his death, his widow would receive no payment unless his death occurred after the receipt of at least one retirement check. Thus, the family of a retired reservist is unprotected by survivor benefits during the period between the completion of his Active Reserve service and his 60th birthday.

The bill, H.R. 14742, will permit this individual to purchase relatively low premium term insurance, thus affording his family some measure of protection during this crucial period.

This bill is supported by the administration, and all claims costs and administrative expenses will be borne by the insureds. I urge that it be passed.

Mr. MONTGOMERY. Mr. Speaker, the major thrust of this bill is to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under servicemen's group life insurance for such members and certain members of the Retired Reserve up to age 60.

The bill would provide full-time coverage under servicemen's group life insurance—SGLI—for persons who volunteer for assignment to the Ready Reserve of a uniformed service and are assigned to a unit or position in which they may be required to perform active duty or active duty for training, and each year will be scheduled to perform at least 12 periods of inactive duty training that is creditable for retirement purposes under chapter 67 of title 10, United States Code. At the present time, this group, along with other Reserves, are covered under SGLI only on the days they are on active duty or active duty for training under a call or order to duty that specifies a period of less than 31 days, during the hours of scheduled inactive duty training, and while traveling to or from such duties.

The second purpose of the bill is to provide full-time coverage under SGLI for persons assigned to, or who, upon application would be eligible for assignment to the Retired Reserve of a uniformed service who are under 60 years of age and have completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10, United States Code. At the present time, members of the Retired Reserve have no eligibility for SGLI.

The full-time coverage of a member of the Ready Reserve would terminate 120 days after separation or release from an assignment which qualifies him for such coverage. However, if on the date of such separation or release the member was totally disabled, SGLI coverage would continue in effect during total disability up to 1 year as is provided in present law for persons on extended active duty. Further, if on the date of separation or release from such an assignment, the member has completed at least 20 years of satisfactory service creditable for retirement purposes, the full-time coverage, unless converted, would continue in force until receipt of the first increment of retirement annuity by the member or the member's 61st birthday, whichever occurs earlier. Such continued coverage would be subject to the timely payment of premiums under terms prescribed by the administrator directly to the office of servicemen's group life insurance—OSGLI.

The premium charges for members of the Reserve eligible for full-time coverage under the bill—other than members assigned to the Retired Reserve—will be contributed from the appropriation made for active duty pay of the uniformed service concerned. Any amounts so contributed on behalf of an individual shall be collected by the Secretary concerned from such individual—by deduction from pay or otherwise—and shall be credited to the appropriation from which such contribution was made.

The bill grants the administrator authority to establish premiums charged members assigned to the retired reserve by various age groupings as he may determine to be necessary according to sound actuarial principles. Also, such premiums shall include an amount necessary to cover the administrative cost of such insurance to the commercial underwriters. A separate accounting may be required of the underwriters by the administrator for insurance issued to or continued in force on the lives of members of the Retired Reserve, and for SGLI issued to others. In such accounting, the administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

As I stated at the outset, this legislation is designed to encourage persons to join and remain in the Reserves and National Guard by extending full-time SGLI coverage in lieu of the rather limited coverage they now have only when engaged in active or training duty. Further, it will provide a sorely needed survivor benefit for members of the Reserves who may retire after 20 years of service but are ineligible to receive retirement pay until they reach the age of 60. This provision will extend insurance coverage during such a period. After a retired Reservist is himself eligible for retirement pay he then may elect an annuity option for his widow under

the armed services family protection plan.

The Department of Defense strongly recommends the enactment of H.R. 14742 "as a positive and feasible incentive for service in the National Guard and Ready Reserve forces, particularly the Selected Reserve." The Office of Management and Budget advises that it has no objection to the presentation of the Department of Defense favorable report from the standpoint of the administration program.

Hearings on this bill were held by the Subcommittee on Insurance on April 25 and 26, 1972. Enthusiastic support of its objectives was expressed by representatives of the Reserve Officers Association of the United States, National Guard Association of the United States, and the American Legion.

Mr. Speaker, I strongly urge approval of this meritorious bill by the Members of the House.

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

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

H.R. 14742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (5) of section 765 of title 38, United States Code, is amended to read as follows:

"(5) The term 'member' means—

"(A) a person on active duty, active duty for training, or inactive duty training in the uniformed services in a commissioned, warrant, or enlisted rank or grade;

"(B) a person who volunteers for assignment to the Ready Reserve of a uniformed service and is assigned to a unit or position in which he may be required to perform active duty, or active duty for training, and each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes under chapter 67 of title 10, United States Code;

"(C) a person assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service who has not received the first increment of retirement annuities or has not yet reached sixty-one years of age and has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 67, of title 10, United States Code; and

"(D) a member, cadet, or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises."

SEC. 2. Section 767 of title 38, United States Code, is amended—

(1 Subsection 767(a) is amended to read as follows:

"(a) Any policy of insurance purchased by the Administrator under section 766 of this title shall automatically insure against death—

"(1) any member of the uniformed service on active duty, active duty for training, or inactive for training scheduled in advance by competent authority;

"(2) any member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 765(5) (B) of this title; and

"(3) any member assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service who meets the qualifications set forth in section 765(5) (C) of this title;

in the amount of $15,000 unless such member elects in writing not to be insured under this subchapter, or to be insured in the amount of $10,000 or $5,000. The insurance shall be effective the first day of active duty or active duty for training, or the beginning of a period of inactive duty training scheduled in advance by competent authority, or the first day a member of the Ready Reserve meets the qualifications set forth in section 765(5) (B) of this title, or the first day a member of the Reserves, whether or not assigned to the Retired Reserve of a uniformed service, meets the qualifications of section 765(5) (C) of this title, or the date certified by the Administrator to the Secretary concerned as the date Servicemen's Group Life Insurance under this subchapter for the class or group concerned takes effect, whichever is the later date."

(2) Subsection 767(b) is amended by deleting therefrom "ninety-days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days".

(3) Subsection 767(c) is amended by inserting after the words "any member" the words "(other than a member assigned to the Retired Reserve)".

SEC. 3. Section 768 of title 38, United States Code, is amended—

(1) Subsection 768(a) is amended by inserting "or while the member meets the qualifications set forth in sections 765(5) (B) or (C) of this title," before the words "and such insurance shall cease".

(2) Subsections 768(a) (2) and (3) is amended by deleting therefrom "ninety days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days".

(3) Subsection 768(a) is further amended by adding at the end thereof the following:

"(4) with respect to a member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 765(5) (B) of this title, one hundred and twenty days after separation or release from such assignment—

"(A) unless on the date of such separation or release the member is totally disabled, under criteria established by the Administrator, in which event the insurance shall cease one year after the date of separation or release from such assignment, or on the date the insured ceases to be totally disabled, whichever is the earlier date, but in no event prior to the expiration of one hundred and twenty days after separation or release from such assignment; or

"(B) unless on the date of such separation or release the member has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 67 of title 10, United States Code, and would upon application be eligible for assignment to or is assigned to the Retired Reserve, in which event the insurance, unless converted to an individual policy under the terms and conditions set forth in section 777(e) of this title, shall, upon timely payment of premiums under terms prescribed by the Administrator directly to the administrative office established under section 766 (b) of this title, continue in force until receipt of the first increment of retirement annuity by the member or the member's sixty-first birthday, whichever occurs earlier.

"(5) with respect to a member of the Retired Reserve who meets the qualifications of section 765(5) (C) of this title, and who was assigned to the Retired Reserve prior to the date insurance under this amendment is placed in effect for such members, at such time as the member receives the first increment of retirement annuity, or the member's sixty-first birthday, whichever occurs earlier, subject to the timely payment of the initial and subsequent premiums, under terms prescribed by the Administrator, directly to the administrative office established under section 766(b) of this title."

(4) Subsection 768(b) is amended—

(A) by deleting the semicolon at the end of subsection 768(b) (1) and inserting in lieu thereof a period.

(B) by deleting from subsection 768(b) (2) the words "ninety days" and "ninety-day" and inserting in lieu thereof the words "one hundred and twenty days" and "one hundred and twenty-day" respectively.

(C) by adding at the end of subsection 768(b) the following:

"(3) with respect to a member of the Ready Reserve of a uniformed service who meets the qualifications of section 765(5) (B) of this title, effective the one hundred and twenty-first day after separation or release from such assignment, unless on the date of such separation or release the member is totally disabled, under criteria established by the Administrator, in which event the insurance may be converted at any time while it is continued in force by reason of such disability, but in no event more than one year after the date of separation or release from such assignment.

"(4) with respect to a member who was assigned to the Retired Reserve of a uniformed service before insurance for such members was placed in effect there shall be no right of conversion."

(5) The third and fourth sentences of subsection 768(c) are amended to read as follows: "Such converted insurance shall be issued without a medical examination if application is made within one hundred and twenty days after separation or release (1) from active duty or active duty for training under a call or order to duty that did not specify a period of less than thirty-one days, or (2) from an assignment which meets the qualifications set forth in section 765(5) (B) of this title. Medical examinations and evidence of qualifying health conditions may be required in any case where the former member alleges that his insurance is continued in force or may be converted beyond the normal termination or conversion date by reason of qualifying disability incurred or aggravated during active duty, active duty for training, inactive duty training, or while assigned to the Ready Reserve of a uniformed service under conditions which meet the qualifications of section 765(5) (B) of this title."

SEC. 4. Section 769 of title 38, United States Code, is amended—

(1) by redesignating subsections 769(a) (2) and (3) as "(3)" and "(4)", respectively, and by adding after subsection 769(a) (1) a new subsection (2) to read as follows:

"(2) During any month in which a member is assigned to the Ready Reserve of a uniformed service under conditions which meet the qualifications of section 765(5) (B) of this title, or is assigned to the Reserve (other than the Retired Reserve) and meets the qualifications of section 765(5) (C) of this title, and is insured under a policy of insurance purchased by the Administrator, under section 766 of this title, there shall be contributed from the appropriation made for active duty pay of the uniformed service concerned an amount determined by the Administrator (which shall be the same for all such members) as the share of the cost attributable to insuring such member under this policy, less any costs traceable to the extra hazards of such duty in the uniformed services. Any amounts so contributed on behalf of any individual shall be collected by the Secretary concerned from such individual (by deduction from pay or otherwise) and shall be credited to the appropriation from which such contribution was made."

(2) by deleting from subsection 769(a) (3) (redesignated as (4) by this amendment) the words "subsection (1) hereof, or fiscal year amount under subsection (2) hereof" and inserting in lieu thereof the words "subsections (1) or (2) hereof, or fiscal year amount under subsection (3) hereof".

(3) by adding at the end of section 769 a new subsection (e) to read as follows:

"(e) The premiums for Servicemen's Group Life Insurance placed in effect or continued in force for a member assigned to the Retired Reserve of a uniformed service who meets the qualifications of section 765(5)(C) of this title, shall be established under the criteria set forth in section 771(a) and (c) of this title, except that the Administrator may provide for average premiums for such various age groupings as he may determine to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing or continuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Administration directly to the administrative office established for such insurance under section 766 (b) of this title. The provisions of sections 771 (d) and (e) of this title shall be applicable to Servicemen's Group Life Insurance continued in force or issued to a member assigned to the Retired Reserve of a uniformed service. However, a separate accounting may be required by the Administrator for insurance issued to or continued in force on the lives of members assigned to the Retired Reserve and for other insurance in force under this subchapter. In such accounting, the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles."

SEC. 5. The first clause of section 770(a) of title 38, United States Code, is amended to read as follows: "First, to the beneficiary or beneficiaries as the member or former member may have designated by a writing received prior to death (1) in the uniformed service, or (2) in the administrative office established under section 766(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under this subchapter."

SEC. 6. Section 771(e) of title 38, United States Code, is amended by deleting therefrom "section 766" and inserting in lieu thereof "section 769 (d) (1)."

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

NEW PROGRAM OF VETERANS' GROUP LIFE INSURANCE (VGLI)

The Clerk called the bill (H.R. 14752) to provide for the conversion of servicemen's group life insurance to veterans' group life insurance, and for other purposes.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter III of chapter 19 of title 38, United States Code, is amended as follows:

(1) Section 767(b) and section 768(a) (2) and (3) are amended by deleting therefrom "ninety days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days."

(2) Section 767(c) is amended by adding the following new sentence at the end thereof: "Any former member insured under Veterans' Group Life Insurance who again becomes eligible for Servicemen's Group Life Insurance and declines such coverage solely for the purpose of maintaining his Veterans' Group Life Insurance in effect shall upon termination of coverage under Veterans' Group Life Insurance be automatically insured under Servicemen's Group Life Insurance, if otherwise eligible therefor."

(3) Section 768(b) is amended to read as follows:

"(b) Each policy purchased under this subchapter shall contain a provision, in terms approved by the Administrator, that, except as hereinafter provided, Servicemen's Group Life Insurance which is continued in force after expiration of the period of duty or travel under sections 767(b) or 768(a) of this title, effective the day after the date such insurance would cease, shall be automatically converted to Veterans' Group Life Insurance subject to (1) the timely payment of the initial premium under terms prescribed by the Administrator, and (2) the terms and conditions set forth in section 777 of this title. Such automatic conversion shall be effective only in the case of an otherwise eligible member or former member who is separated or released from a period of active duty or active duty for training or inactive duty training on or after the date of approval of this amendment. Servicemen's Group Life Insurance continued in force under section 768(a) (4) (B) or (5) of this title shall not be converted to Veterans' Group Life Insurance. However, a member whose insurance could be continued in force under section 768(a)(4)(B) of this title, but is not so continued, may, effective the day after his insurance otherwise would cease, convert such insurance to an individual policy under the terms and conditions set forth in section 777(e) of this title. The amendment made by this Act shall not be construed to deprive any person heretofore so separated or released of their rights to convert Servicemen's Group Life Insurance to an individual policy under the provisions of law in effect prior to the date of enactment of this Act."

(4) Section 768(c) is hereby repealed.

(5) Sections 769(a) (1) and (2) are amended by deleting therefrom "is insured under a policy of insurance purchased by the Administrator, under section 766 of this title" and inserting in lieu thereof "is insured under Servicemen's Group Life Insurance".

(6) Section 769(a)(3) is amended by deleting therefrom "this subchapter" and "insurance under this subchapter" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(7) Section 769 (b) is amended by deleting therefrom "this subchapter" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(8) Section 769 (c) is amended by deleting therefrom "such insurance" and inserting in lieu thereof "Servicemen's Group Life Insurance."

(9) The last sentence of subsection 769 (d) (1) is amended to read as follows: "All premium payments and extra hazard costs on Servicemen's Group Life Insurance and the administrative cost to the Veterans' Administration of insurance issued under this subchapter shall be paid from the revolving fund.".

(10) The first clause of section 770(a) is amended to read as follows:

"First, to the beneficiary or beneficiaries as the member or former member may have designated by a writing received prior to death (1) in the uniformed services if insured under Servicemen's Group Life Insurance, or (2) in the administrative office established under section 766(b) of this title if separated or released from service and insured under Servicemen's Group Life Insurance, or if insured under Veterans' Group Life Insurance;".

(11) Sections 770 (f) and (g) are amended by adding after the words "Servicemen's Group Life Insurance" wherever it appears therein the words "or Veterans' Group Life Insurance".

(12) Section 771(b) is amended by deleting therefrom the words "the policy or policies" and inserting in lieu thereof the words "Servicemen's Group Life Insurance".

(13) Section 771 (e) is amended by deleting therefrom "section 766" and inserting in lieu thereof "section 769 (d) (1)".

(14) Subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 777. Veterans' Group Life Insurance

"(a) Veterans' Group Life Insurance shall be issued in the amounts of $5,000, $10,000, or $15,000 only. No person may carry a combined amount of Servicemen's Group Life Insurance and Veterans' Group Life Insurance in excess of $15,000 at any one time. Any person insured under Veterans' Group Life Insurance who again becomes insured under Servicemen's Group Life Insurance may within sixty days after becoming so insured convert any or all of his Veterans' Group Life Insurance to an individual policy of insurance under subsection (e) of this section. However, if such a person dies within the sixty-day period. Veterans' Group Life Insurance will be payable only if he is insured for less than $15,000 under Servicemen's Group Life Insurance, and then only in an amount which when added to the amount of Servicemen's Group Life Insurance payable shall not exceed $15,000.

"(b) Veterans' Group Life Insurance shall (1) provide protection against death; (2) be issued on a nonrenewable five-year term basis; (3) have no cash, loan, paidup, or extended values; (4) except as otherwise provided, lapse for nonpayment of premiums; and (5) contain such other terms and conditions as the Administrator determines to be reasonable and practicable which are not specifically provided for in this section, including any provisions of this subchapter not specifically made inapplicable by the provisions of this section.

"(c) The premiums of Veterans' Group Life Insurance shall be established under the criteria set forth in sections 771 (a) and (c) of this title, except that the Administrator may provide for average premiums for such various age groupings as he may decide to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Administrator directly to the administrative office established for such insurance under section 766(b) of this title. In any case in which a member or former member who was mentally incompetent on the date he first became insured under Veterans' Group Life Insurance dies within one year of such date, such insurance shall be deemed not to have lapsed for nonpayment of premiums and to have been in force on the date of death. Where insurance is in force under the preceding sentence, any unpaid premiums may be deducted from the proceeds of the insurance. Any person who claims eligibility for Veterans' Group Life Insurance based on disability incurred during a period of duty shall be required to submit evidence of qualifying health conditions and, if required, to submit to physical examinations at their own expense.

"(d) Any amount of Veterans' Group Life Insurance in force on any person on the date of his death shall be paid, upon the establishment of a valid claim therefor, pursuant to the provisions of section 770 of this title. However, any designation of beneficiary or beneficiaries for Servicemen's Group Life Insurance field with a uniformed service until changed, shall be considered a designation of beneficiary or beneficiaries for Veterans' Group Life Insurance, but not for more than sixty days after the effective date of the insured's Veterans' Group Life Insurance, unless at the end of such sixty-day period, the insured is incompetent in which event such designation may continue in force until the disability is removed but not

for more than five years after the effective date of the insured's Veterans' Group Life Insurance. Except as indicated above in incompetent cases, after such sixty-day period, any designation of beneficiary or beneficiaries for Veterans' Group Life Insurance to be effective must be by a writing signed by the insured and received by the administrative office established under section 766(b) of this title.

"(e) An insured under Veterans' Group Life Insurance shall have the right to convert such insurance to an individual policy of life insurance upon written application for conversion made to the participating company he selects and payment of the required premiums. The individual policy will be issued without medical examination on a plan then currently written by such company which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums if the insured engages in the military service of the United States. The individual policy will be effective the day after the insured's Veterans' Group Life Insurance terminates by expiration of the five-year term period, except in cases where the insured is eligible to convert at an earlier date by reason of again having become insured under Servicemen's Group Life Insurance in which event the effective date of the individual policy may not be later than the sixty-first day after he again became so insured. Upon request to the administrative office established under section 766(b) of this title, an insured under Veterans' Group Life Insurance shall be furnished a list of life insurance companies participating in the program established under this subchapter. In addition to the life insurance companies, participating in the program established under this subchapter, the list furnished to an insured under this section shall include additional life insurance companies (not so participating) which meet qualifying criteria, terms, and conditions established by the Administrator and agree to sell insurance to former members in accordance with the provisions of this section.

"(f) The provisions of sections 771 (d) and (e) of this title shall be applicable to Veterans' Group Life Insurance. However, if separate accounting shall be required for each program of insurance authorized under this subchapter. In such accounting, the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles."

SEC. 2. The analysis of subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"777. Veterans' Group Life Insurance.".

Mr. MONTGOMERY. Mr. Speaker, the principal purpose of H.R. 14752 is to automatically convert servicemen's group life insurance continued in force after separation from service to a nonrenewable 5-year term veterans' group life insurance, and to provide at the end of the 5-year period for the conversion of veterans' group life insurance to an individual policy of insurance with the commercial insurance company selected by the insured.

Under the present law, since September 1965, all persons called to active duty for 31 days or more are automatically covered—unless they elect out—by servicemen's group life insurance. Originally, the maximum amount was $10,000 but this was increased to $15,000 by the 91st Congress. Such group life insurance continues in effect for 120 days after discharge and up to 1 year in total disability cases. Insureds have the right to convert to an individual policy of life insurance with the commercial company of their choice. This conversion takes place at the end of the 120-day period, or during coverage up to 1 year after discharge in total disability cases.

Reservists on duty for less than 31 days or on inactive duty training are covered only during the duty dates or periods and while traveling to and from their duties. Reservists have no extended coverage or conversion rights, unless disabled while on duty. If so disabled as to be uninsurable at standard premium rates the insurance continues in force for 90 days and they can convert to an individual policy at the end of the 90-day period. The bill would extend servicemen's group life insurance coverage from 90 to 120 days after termination of duty in these disabled reservists' cases.

Where servicemen's group life insurance is continued in effect for 120 days after the period of duty or travel, or in total disability cases up to 1 year after the period of duty of 31 days or more, the bill would automatically convert servicemen's group life insurance to a new veterans' group life insurance, effective the day after the date servicemen's group life insurances terminates, subject to the timely payment of the initial premium under terms prescribed by the Administrator. Enactment of the bill would not be construed to deprive any person separated or released from duty prior to the date of enactment of his right to convert servicemen's group life insurance to an individual policy as is provided under present law.

The new veterans' group life insurance would be issued in the amounts of $5,000, $10,000, or $15,000. No person may carry a combined amount of servicemen's group life insurance and veterans' group life insurance in excess of $15,000 at any time. This new insurance would, first, provide protection against death; second, be issued on a nonrenewable 5-year term basis; third, have no cash, loan, paid-up, or extended values; fourth, except as otherwise provided—in incompetent cases—lapse for nonpayment of premiums; and fifth, contain such other terms and conditions as the administrator determines to be reasonable and practicable, which are not specifically provided for in the bill. Insureds could convert veterans' group life insurance to an individual policy with a commercial insurer effective the day after veterans' group life insurance terminates by reason of expiration of the 5-year term period.

The Veterans' Administration representative testified that if today a veteran 23 years of age buys a $15,000 ordinary life policy, with no added benefits, from a company which will pay dividends, a typical monthly premium would be about $21. This cost would, of course, be reduced in the future by dividends as declared. The proposed program would reduce, by more than 75 percent, most veterans' initial outlay for the same amount of insurance. While the coverage is limited term life insurance only, the premium reduction is of particular importance to those veterans readjusting to civilian life, many of whom have limited incomes and many of whom will undertake programs of education, during which time they will not have an income from employment.

In connection with its favorable recommendation on this bill, the Veterans' Administration pointed out that, under the bill, "all insured veterans will have a period of 5 years and 4 months—in a few total disability cases, 6 years—in which to have adjusted socially and economically. Toward the end of that period, they will be in a far better position to assess their insurance needs and select plans and amounts of insurance, than they are within 4 months of separation." The Veterans' Affairs Committee fully concurs in this analysis of the social and economic position facing our young veterans today upon their separation from the military service.

Mr. Speaker, I recommend approval by the House of H.R. 14752:

H.R. 14752

(For Mr. MONTGOMERY's response in the event a question is asked about the cost of H.R. 14752.)

The administrative cost of the bill to the Veterans' Administration will involve the printing of pamphlets, forms, publishing of regulations, etc. These costs, those relating to furnishing information to SGLI insureds as to their conversion rights, and the conversion costs in disabled cases are presently borne by the insureds, and are recouped from the SGLI revolving fund. Such costs under the bill will properly be borne and recouped in the same manner. All claims costs and the insurance company's expenses will be covered by the premium paid by the insureds. Hence, enactment of the bill would not result in any cost to the Government.

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

CONVEYANCE OF CERTAIN VETERANS' ADMINISTRATION PROPERTY IN CANANDAIGUA, N.Y., TO SONNENBERG GARDENS, A NONPROFIT EDUCATIONAL CORPORATION

The Clerk called the bill (H.R. 13780) to authorize the Administrator of Veterans' Affairs to convey certain property in Canandaigua, N.Y., to Sonnenberg Gardens, a nonprofit educational corporation.

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

Mr. HALL. Mr. Speaker, reserving the right to object, I must observe that there are no departmental reports; nor does this particular piece of legislation, as meritorious as it might be from the ideal and cultural or community point of view, meet other criteria of the Consent Calendar. Therefore I ask that it be put over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LETTER FROM DAVID M. ABSHIRE RE TRAVEL TO CHINA

(Mr. BOGGS asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous material.)

Mr. BOGGS. Mr. Speaker, I would like to insert at this point in the RECORD a letter from David M. Abshire, Assistant Secretary for Congressional Relations, Department of State, dealing with the proposed travel of Members of Congress to China.

The letter is as follows:

DEPARTMENT OF STATE,
Washington, D.C., May 11, 1972.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The relationship that is beginning to develop between the United States and the People's Republic of China has resulted in increased interest in travel to that country by members of the Congress and employees of the Legislative Branch. The President has asked the Department of State to assume responsibility for facilitating such travel and to seek your cooperation in preventing any misunderstandings that might set back the developing relationship with the People's Republic of China.

In that connection, it would be very helpful if Members, staff personnel or employees planning to travel to China in either an official or private capacity would inform the Secretary of State before applying for a visa of the purpose of the trip, the dates of travel and the planed itinerary.

The Department will respond promptly to any request for advice on how best to proceed with the application to the People's Republic of China and will inform the intended traveller of any foreign policy considerations involved.

It would be appreciated if this letter would be printed in full in the body of the Congressional Record before being assigned to Committee.

We will be very grateful for your cooperation in this matter.

Sincerely,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

COMMENDATION OF THE PARK POLICE

(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 want to commend the Park Police for cleaning up in front of the White House.

Last night the Park Police impounded sleeping bags and other camping equipment of so-called war protestors who had been eating and sleeping in an area in front of the White House.

Mr. Speaker, this demonstration has been an eyesore to thousands of visitors coming to Washington as well as some of us who pass the White House every day.

I congratulate the Park Police and hope they will continue to keep this area clean.

THE AIR FORCE IS TRYING TO SWEEP A SCANDAL UNDER THE RUG

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

Mr. PIKE. Mr. Speaker, it is time the Air Force and the Pentagon told the American people the truth about the so-called retirement of a four-star general who was removed as the head of all of our Air Force operations in Vietnam just 1 week after the Communist offensive was launched.

The Air Force put out a little story that the general had retired "for personal and health reasons." The Air Force did not tell the truth. I believe there is a major issue here, important to our Air Force, and important to our Nation.

Perhaps the most major issue is the credibility of our military. The military complains that it is misunderstood and mistrusted. It cannot be understood and will not be trusted as long as it tries to sweep its scandals under the rug and as long as it persists in trying to obscure the truth instead of telling the truth.

CANDID DISCUSSIONS OF NATIONAL PURPOSE AND POLICY SHOULD OCCUR IN HOUSE OF REPRESENTATIVES

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

Mr. SYMINGTON. Mr. Speaker, we, together with the Members of the other body, constitute the Congress of these United States. If candid discussions of national purpose and policy can occur anywhere in this land, they can and should occur here.

At what point does this responsibility begin, and where does it end? I submit it began when the first Congress met and will never end.

Perhaps we need to be reminded from time to time that personal candor, even in the most troublous of times, ought not to be equated with the want of commitment to the Nation's welfare. As such a reminder, I would offer here an observation by one whose credentials for both candor and commitment need no defense.

If men are to be precluded from offering their sentiments on a matter which may involve the most serious and alarming consequences that can invite the consideration of mankind, reason is of no use to us; the freedom of speech may be taken away, and dumb and silent we may be led, like sheep to the slaughter.—Address to officers of the Army—March 15, 1783

These are the words of George Washington, Father of our Country, whose portrait and example dominate this and every Congress which has met, or ever will meet. It is a great portrait and a good example to follow.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 150]

Abourezk	Fish	Mills, Ark.
Addabbo	Ford,	Mills, Md.
Badillo	Gerald R.	Minshall
Baker	Fraser	Mitchell
Barrett	Frelinghuysen	Mizell
Belcher	Galifianakis	Mollohan
Bell	Gallagher	Nix
Bingham	Gray	O'Neill
Blackburn	Green, Pa.	Patman
Blanton	Griffin	Pelly
Blatnik	Hagan	Peyser
Bow	Halpern	Pickle
Buchanan	Hanna	Pryor, Ark.
Cabell	Hawkins	Pucinski
Chamberlain	Hébert	Rangel
Chisholm	Heckler, Mass.	Reid
Clancy	Helstoski	Robison, N.Y.
Clark	Hillis	Rodino
Clay	Hosmer	Rousselot
Conyers	Hull	St Germain
Cotter	Jones, Tenn.	Sandman
Curlin	Kemp	Sarbanes
Davis, Ga.	Kluczynski	Scheuer
Davis, S.C.	Landgrebe	Schmitz
Delaney	Link	Schwengel
Denholm	Lloyd	Shoup
Dent	Long, La.	Springer
Diggs	McClory	Stephens
Dowdy	McCormack	Stubblefield
Downing	McEwen	Sullivan
Dulski	McKay	Teague, Calif.
Dwyer	McKevitt	Thompson, Ga.
Edmondson	Macdonald,	Udall
Edwards, Ala.	Mass.	Whalley
Erlenborn	Madden	Wilson, Bob
Eshleman	Mikva	Yatron
Evins, Tenn.	Miller, Calif.	

The SPEAKER. On this rollcall, 323 Members have answered to their names, a quorum.

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

CONFERENCE REPORT ON H.R. 13361, TIME EXTENSION, TOBACCO QUOTA TRANSFERS

Mr. ABBITT submitted the following conference report and statement on the bill (H.R. 13361) to amend section 316 (c) of the Agricultural Adjustment Act of 1938, as amended:

CONFERENCE REPORT (REPT. NO. 92-1064)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 13361) to amend section 316(c) of the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the second sentence of subsection (c) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows: "Any lease of Flue-cured tobacco acreage-poundage marketing quotas from any farm with an acreage-poundage marketing quota in excess of 2,000 pounds filed on or after June 15 in any year shall not be effective unless the acreage planted on both the lessor and the lessee farms during the current marketing year was as much as 50 per centum

of the farm acreage allotment in effect for such year."

And the Senate agree to the same.

W. M. ABBITT,
JOHN L. MCMILLAN,
WALTER B. JONES,
WILLIAM C. WAMPLER,
WILMER D. MIZELL,
Managers on the Part of the House.

HERMAN E. TALMADGE,
B. EVERETT JORDAN,
LAWTON CHILES,
JACK MILLER,
CARL T. CURTIS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 13361) to amend section 316(c) of the Agricultural Adjustment Act of 1938, as amended, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

There were two differences between the House bill and the Senate amendment, and these differences were resolved as follows:

1. *The House bill* exempted all kinds of tobacco for which leasing is provided by section 316 i.e., flue-cured, Maryland, cigar-filler (types 42–44), and cigar-binder (types 51–53) from the requirement in existing law that leases be filed with the county committee by a fixed date no later than planting time established by the Secretary.

The Senate amendment made the same provision for flue-cured tobacco only.

The Conference substitute adopts the provisions of the House bill.

2. *The House bill* restricted flue-cured leases filed after June 15 to cases where both the lessor and lessee farms have planted at least 75 percent of their allotments.

The Senate amendment contained no similar provision.

The Conference substitute modifies the House provisions by completely exempting leases and transfers of flue-cured tobacco involving farms with acreage-poundage quotas of 2,000 pounds or less from the June 15 deadline for filing such leases.

In the case of flue-cured tobacco leases involving an acreage-poundage quota of more than 2,000 pounds filed after June 15 of any year, the transfer shall not be effective unless the acreage planted on both the lessor and the lessee farms during the current marketing year was at least one-half of the farm acreage allotment in effect for such year.

W. M. ABBITT,
JOHN L. MCMILLAN,
WALTER B. JONES,
WILLIAM C. WAMPLER,
WILMER D. MIZELL,
Managers on the Part of the House.

HERMAN E. TALMADGE,
B. EVERETT JORDAN,
LAWTON CHILES,
JACK MILLER,
CARL T. CURTIS,
Managers on the Part of the Senate.

PERMISSION TO FILE REPORT ON APPROPRIATIONS FOR STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES, 1973

Mr. ROONEY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill making appropriations for the Department of State, Justice, Commerce, and the Judiciary and related agencies for the fiscal year ending June 30, 1973, and for other purposes.

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

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

There was no objection.

ESTABLISHING A COMMISSION ON REVISION OF JUDICIARY CIRCUITS

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7378) to establish a Commission on Revision of the Judicial Circuits of the United States, as amended.

The Clerk read as follows:

H.R. 7378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a Commission on Revision of the Judicial Circuits (hereinafter referred to as "Commission").

SEC. 2. (a) The Commission shall be composed of fifteen members appointed as follows:

(1) four members appointed by the President of the United States;

(2) four Members of the Senate appointed by the President of the Senate;

(3) four Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(4) three members appointed by the Chief Justice of the United States.

(b) Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(c) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(d) Eight members of the Commission shall constitute a quorum, but three may conduct hearings.

SEC. 3. It shall be the duty of the Commission to study the present division of the United States into the several judicial circuits, and to recommend to the President, the Congress, and the Chief Justice such changes in the geographical boundaries of the circuits as, in the opinion of the Commission, may be most appropriate for the expeditious and effective disposition of judicial business.

SEC. 4. (a) Members of the Commission who are officers, or full-time employees, of the United States shall receive no additional compensation for their services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not exceeding the maximum amounts authorized under section 456 of title 28, United States Code.

(b) Members of the Commission from private life shall receive $100 per diem, when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

SEC. 5. (a) The Director of the Administrative Office of the United States Courts shall serve as Executive Director to the Commission.

(b) The Administrative Office of the United States Court shall provide administrative services including financial and budgetary services for the Commission on a reimbursable basis. The Federal Judicial Center shall provide necessary research services on a reimbursable basis.

(c) The Commission is authorized to request from any department, agency, or independent instrumentality of the Government any information and assistance it deems necessary to carry out its function under this Act; and each such department, agency, and independent instrumentality is authorized to provide such information and assistance to the extent permitted by law when requested by the Chairman of the Commission.

SEC. 6. The Commission shall transmit its final report containing its recommendations to the President, the Congress, and the Chief Justice within one hundred and eighty days of the date on which its ninth member is appointed. The Commission shall cease to exist ninety days after the date of the submission of its final report.

SEC. 7. There is hereby authorized to be appropriated the sum of $50,000 to carry out the purposes of this Act.

The SPEAKER. Is a second demanded?

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

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

There was no objection.

The SPEAKER. The gentleman from New York (Mr. CELLER) is recognized.

Mr. CELLER. Mr. Speaker, the purpose of this bill is to establish a short term commission composed of four Members of the House, four Members of the Senate, three members to be appointed by the Chief Judge of the United States and four members to be appointed by the President—15 in all to study and to recommend changes in the geographical boundaries of the U.S. Courts of Appeals.

The legislation is sponsored by the Judicial Conference of the United States and is endorsed by the Department of Justice, the American Bar Association, the Chief Justice of the United States, the Administrative Office of the U.S. Courts and the chief judges of each of the 11 courts of appeals.

The bill has the unanimous approval of the House Committee on the Judiciary.

Today there are 11 judicial circuits and 97 authorized circuit judges. There has only been one significant change in the geographical organization of the Federal judicial circuits since the Court of Appeals Act of 1891.

In other words, the lines that exist today existed over 80 years ago—with one exception—when the Tenth Circuit was carved out of the then Eighth Circuit, in 1929.

There has been a steady and substantial rise in the work load of the courts of appeals. For example, in the decade of the 1960's, the appeals docket rose from 3,899 to 11,662. The steady upward trend continued in fiscal year 1971 when appeals rose to 12,788—10 percent above the year before.

In the past decade, a total 154 new Federal district judges have been added to cope with the burgeoning litigation in the Federal trial courts. These and other factors have combined to increase the appellate caseload per judge—54 filings per judge in 1961 as compared to 132 filings per judge in 1971.

Although terminations have also increased over the years, the backlog of

appeals now pending on the dockets of the appeals courts has increased from approximately 3,000 in 1962 to over 9,000 in 1971.

One way of relieving the appellate courts of their increasing workload has been the creation of additional appellate judgeships. Currently a bill is pending before the Judiciary Committee which proposes to create 10 additional circuit judgeships. However, adding additional judgeships has serious limitations.

Today, for example, there are 13 judgeships authorized for the ninth circuit and 15 authorized for the fifth circuit.

Let us dwell for a moment on the fifth circuit. Geographically, the fifth circuit runs from El Paso eastward clear over to Key West. It takes in the States of Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, and the Canal Zone. In that circuit there are 15 circuit judges. When they sit en banc, the 15 judges have to sit together; ofttimes, there are three senior judges, making it 18 judges sitting.

We have a similar situation in the ninth circuit. What does the ninth circuit consist of? Just think of it: the States of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, and the territory of Guam. Years ago those States were sparsely settled. It was probably quite appropriate to make one circuit out of all of those States.

But now with the vast population that has poured into those States, it is almost impossible to conduct affairs in the ninth circuit with 13 judges sitting.

So, you see, it is quite essential that changes be effectuated and that those circuits be realized. The fifth circuit, certainly, standing almost alone in the southern part of the United States, might well be divided, and the ninth circuit should have some of the States taken away from it.

The Commission composed of members appointed by the three branches of government must make a report within 180 days. The report is not self-executing. It does not become law of its own accord. It is only recommendatory. The Commission can recommend additional circuits, it can recommend fewer circuits.

The reason we did not make the recommendations self-executing was that to do so would take away from Congress its powers to finally determine where these lines should be drawn.

There is also a very nice question whether making the Commission's findings self-executing would unconditionally interfere with the Presidential power of veto.

For these reasons the Judiciary Committee felt it would be most appropriate to provide that the Commission will only make recommendations, and that the House, the Senate, and the President shall finally give approval to any changes in the geographical boundaries of the circuit courts.

The heavy caseload in the fifth and ninth circuits threatens to increase, and failure to undertake some realinement in the geographical boundaries is bound to worsen the situation. Circuit revision will enable more manageable members of circuit judges to function as a collegial unit. The bill, H.R. 7378, as amended, would establish a short-term commission, as I said before, composed of 15 members with a responsibility to study and recommend generally a geographical revision in circuit court boundaries. As indicated, they would have the authority to recommend increases or decreases in the number of circuit courts of appeals.

The life of the Commission properly has been limited to 6 months in order to facilitate effective legislative action in the next Congress.

The main provisions of the committee amendment to H.R. 7378 can be summarized as follows:

First, in the belief that persons other than judges should participate in the formulation of recommendations for realinement, Commission membership has been increased from 12 to 15 members; congressional participation is increased from four to eight members.

Second, the life of the Commission is reduced from 2 years, as originally contemplated, to 6 months. The bill specifically provides that the services of the Administrative Office of the U.S. Courts and of the Federal Judicial Center should be utilized in lieu of a special Commission staff—the bill also provides the Director of the Administrative Office of the U.S. Courts shall serve as Executive Director of the Commission.

Third, unlike the original bill, the Commission's recommendations to Congress are not self-executing. The bill, as amended, requires affirmative legislative action by Congress to effectuate the Commission's recommendations, and

Fourth, the amount of appropriations authorized for the Commission is established at $50,000. It is hoped that the amount of $50,000 will not be reached.

Despite the limitations that have been imposed, the Committee on the Judiciary believes that an in-depth study and recommendation for geographic realignment of the judicial circuits can be made by the proposed Commission. Such studies and recommendations are essential to improve judicial administration in the appellate courts.

I urge my colleagues to support H.R. 7378, as amended.

Mr. GROSS. Mr. Speaker, will the gentleman yield for a question?

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

Mr. GROSS. We have already tried two remedies for this situation. One was legislation providing for 29 more appellant judges some a few years ago, and in the 91st Congress, the preceding session of Congress, legislation was enacted which gave each of these appeals circuits an executive officer. What has happened with respect to these executive officers in disposing of the caseloads which now allegedly confront these appeals judges?

Mr. CELLER. Not all the circuits have availed themselves of the right to appoint these court executives. Only a few of the circuits have availed themselves of that officer, but I presume that in due course all of them will avail themselves of that additional help.

Mr. GROSS. What about the magistrates as well?

And why have they not appointed the executive officers that were approved by Congress?

Mr. CELLER. The circuit executives have to be certified as to qualifications. That process of certification took a long while. There have been some circuit executives appointed, but not many.

Mr. GROSS. It seems to me that there is serious slippage of some kind. It seems to me that there have been remedies provided, but they have not been used. I still wonder why they have not been used.

Mr. CELLER. Some of the circuits have availed themselves of this new officer. Others have not. We in the Congress cannot compel them to do so.

Mr. GROSS. I just do not understand why it should be within the purview of the judges, who the gentleman seems to indicate here are overburdened with caseloads they cannot dispose of, to refuse the help they have offered. Why should it be within their purview to reject this additional help and at the same time ask for legislation of this nature?

Mr. CELLER. The gentleman's questions as I understand them, are not pertinent to the pending bill. This bill only provides for changing the boundary lines of the circuit courts and has nothing to do with the question of court executives or secretaries for the circuit judges.

Mr. GROSS. But the changing of the geographical lines, whatever it may result in—whether a greater number of judicial circuits or a realinement to provide for less work in some of these circuits—relates directly to caseloads and the ability to dispose of them with personnel that can now be made available.

Mr. CELLER. May I say to the gentleman, it is not only the caseload, but it is also the great distances which must be traveled by the litigants and the lawyers.

There is also the volume of cases generated by circuits encompassing expansive geographic areas.

Just think of the situation I am told of in the ninth circuit, where we have the lines extending from Alaska way out to Hawaii. That seems an abomination. We should not allow that to continue.

Years ago we had no choice, probably, but now the situation is so different I believe we have to address ourselves to the situation. We cannot allow this to go on further.

As I indicated to the gentleman, in the fifth circuit it is almost absurd to have a circuit court extending from the uttermost western part of Texas to the almost eastern part of Florida. That seems barbarous. We have to address ourselves to making changes in that regard.

That is all this bill does.

Mr. GROSS. It would appear to have been a ponderous way of doing business from the inception of it, but I assume the appellate judges recommended the size of these circuits in the first place.

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

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

Mr. HUNGATE. The gentleman makes some worthwhile points. I believe that in this legislation, however, we are not dealing with executive officers. In other words, the executive officers would have no power to redraw these districts.

I would recommend this legislation to the House on the basis that this is an opportunity to redistrict the Federal courts.

I do not know how many years ago these circuits were drawn. How long have they been in existence?

Mr. CELLER. Since 1891.

Mr. HUNGATE. They may have been appropriate geographically and populationwise when created, but that has long since ceased to be.

I agree with the gentleman that if any judge has failed to exercise his power with respect to an executive officer to run the courts, that is unfortunate. I would agree with the gentleman that some of the decisions of the Federal courts in my opinion have been unfortunate.

But the problem we deal with here is the only one we can reach at the moment, which is the way some of these circuits unfortuately are drawn at this point. We had hoped to create a mechanism to redefine these circuits. We have drawn a bill where there will be 15 members of the Commission, and eight of them will be congressional. I believe that is important.

Mr. GROSS. Will all of them be lawyers?

Mr. HUNGATE. They may all have licenses. The Speaker would make his appointments.

Mr. GROSS. Does the gentleman not think that there ought to be some nonlawyers on some of these commissions that have to do with regulating the judiciary? The public does have a real interest in the courts. Moreover, the courts have no hesitancy in coming to Congress as in this case, and in upsetting acts of Congress.

In other words, they can lay down the rule of one-man-one-vote and make the Members of Congress like it. Yes, I believe we ought to have some nonlawyers on these commissions that deal with the judiciary.

Mr. HUNGATE. If the gentleman will yield further, I am not aware of any requirement for lawyers.

Mr. CELLER. There is nothing in the act which says the Commission members must be lawyers. It is left, in the case of the President, to his own discretion, and it is left to the discretion of the Speaker and of the President pro tempore of the Senate.

Mr. GROSS. There is no requirement that every member of the Judiciary Committee be a lawyer, either, but they are.

Mr. HUNGATE. If the gentleman will yield further at that point, I can only seek to reassure him that if I should have the privilege of serving I can simply say, as I once told an opponent of mine, "While I am a lawyer, I am not much of a lawyer."

Mr. BROOKS. Will the gentleman yield to me for 2 minutes?

Mr. CELLER. I yield to the gentleman.

Mr. BROOKS. I want to say that this bill simply provides a technique for realining the boundaries of the circuit courts of appeals. It needs to be done. alining the boundaries of the circuit courts of appeals. It needs to be done. The difficulty has been who would make the needed recommendations. I think that this proposed Commission may well resolve the problems. I think geographical revision needs to be done in many parts of the Nation. I know it needs to be done in my own circuit where there has been a 17-percent increase in population between 1960 and 1970, and where the boundaries stretch from Florida to Texas. The Fifth Circuit Court of Appeals consists of 15 judges, which is a little bit too large to effectively administer despite a very fine chief judge named John Brown who runs that circuit court with dispatch and with great skill. It is still a problem to administer a circuit court with that kind of geographical breadth. So I hope that the Members will join with me and approve this bill so that revision of the geographical boundaries of circuit courts can begin.

Mr. SNYDER. Will the gentleman yield?

Mr. BROOKS. I yield to the gentleman.

Mr. SNYDER. I agree with much of what has been said as to the necessity of making these changes, but my only query is why did not the Committee on the Judiciary do this? I am not adverse to lawyers, as my friend from Iowa. I am curious why the committee does not get together and draw these lines themselves? Why do we have to have a commission?

Mr. BROOKS. I would be perfectly willing to do that except for the fact that I have spent the last 20 years of my life in Congress, and not practiced law in the circuit courts. In addition, I believe the committee will benefit from the comprehensive study and recommendations of the Commission contemplated in H.R. 7378.

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

Mr. POFF. Mr. Speaker, as amended, H.R. 7378 is good legislation. It is more than that. It is legislation urgently needed.

In the last 10 years, appeals docketed in the 11 Federal judicial circuits have increased by 199 percent, and the backlog of appeals pending on the dockets has increased by 297 percent. There are many reasons. Our population has grown. Our economy has expanded. New laws have been written. New disputes have arisen. More crime is being committed. Our society is more pluralistic, more sophisticated and more litigation conscious. Bigger caseloads and greater docket congestion mean longer delays in the determination of citizen rights, obligations and penalties. If the problem is not solved soon, it will overwhelm us.

The solution could take one or all of three courses—the creation of additional appellate judgeships, the revision of appellate court procedure and jurisdiction or the reconfiguration of the geographical boundaries of the judicial circuits. The committee amendment chooses the latter course.

It may be necessary later to create additional judgeships. Indeed, the Judicial Conference has only recently recommended 10. But at the moment, the committee has not chosen this course. There is a limit to the number of judges that can function efficiently as a collegial unit. The committee felt that it would be better to rearrange the geography and thereby redistribute the workload among existing judges before increasing the number of judges.

Neither did the committee choose the course of revising appellate procedure and jurisdiction. This does not mean that reform is not necessary. It means simply that such complex and delicate reform should await the redrawing of the judicial map.

The course the committee chose as the priority step to be taken involves the use of a blue-ribbon commission. As originally introduced, H.R. 7378 would have made the report of the commission self-executing. This is, the decisions of the commission would have automatically become law unless they were specifically disapproved, in whole or in part, by one House of the Congress within 90 days after submission of the commission's report.

The committee amendment rejects this approach. It does so for two reasons. First, it is unworkable. Disapproval of a single boundary by a single House would frustrate the entire proposal, and since there would be no opportunity for a House-Senate conference, differences could never be reconciled. And the problem would remain unsolved.

Second, the self-executing mechanism is subject to serious constitutional challenge. Article I, section 7 of the Constitution requires that every bill passed by the two Houses of Congress be submitted to the President for his approval or disapproval. The Constitution gives the President a definite role in the lawmaking process. He can propose legislation. He can sign legislation. And he can withhold his signature from legislation. The bill in its original form denied the President all participation whatever, save only the right to name some of the members of the commission.

Article III, section 2 of the Constitution vests in the Congress power to ordain, establish, and maintain inferior Federal courts and fix their jurisdiction. Can the elected representatives of the people delegate to an unelected commission the power to make decisions concerning jurisdictional boundaries of Federal courts—decisions which will become law through the inaction of the Congress?

These two constitutional questions might be answered in the affirmative or in the negative, but they would almost certainly lay the predicate for litigation. And no matter how the question of constitutionality might be decided, I feel that is unwise as a matter of policy to pursue the approach proposed in the original version of the bill.

The committee amendment makes the function of the commission advisory only and reserves to the Congress and the President both the initiative and the final disposition of the matter.

The original bill called for a 2-year study, a separate commission staff, and an open-end authorization. The committee amendment reduced the term from 2 years to 6 months, dispensed with the separate staff and fixed an appropriations ceiling.

Two years is too long; the need is too urgent. A separate staff is unnecessary: the committee amendment utilizes the existing staffs of the Federal judicial center and the administrative office of the U.S. Courts and appoints the director of the latter executive director of the commission.

As for the open-end authorization, the estimate under the original bill was more than half a million dollars. The ceiling fixed by the committee amendment is $50,000. Only one-tenth of the original estimate.

In summary, the bill as amended will save money, hasten a solution to a grave problem, preserve the dignity of the legislative process and promote the cause of speedy justice.

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

Mr. POFF. Yes, I yield to the gentleman from Louisiana.

Mr. RARICK. I would merely like to inquire of the gentleman if the committee gave any consideration modifying the appellate court jurisdiction?

Mr. POFF. The gentleman refers to one of the three possible solutions I mentioned in the preface of my remarks. We had witnesses who addressed themselves specifically to that possibility. Indeed, there was great dialog between the witnesses and interested members of the committee on this point.

Clearly, this is an area which cries out for reform, and I am encouraged to hope that the Judiciary Committee next year will be able to give priority attention to this phase of the solution.

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

Mr. POFF. Yes, I yield further to the gentleman from Louisiana.

Mr. RARICK. I only have one further question of the gentleman from Virginia.

I was wondering if the committee had made further inquiry of the witnesses from the Judiciary as to when the Federal judges will submit their report on their outside financial holdings, which could well have an adverse effect on their workload?

Mr. POFF. I will say in response to the gentleman that the occasion for such an inquiry did not present itself in the course of these hearings.

Mr. McCULLOCH. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Michigan (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Speaker, I rise to indicate my support of the bill in the form in which the committee reported it.

This bill which is presently pending before the House will create a commission, very limited in time—only 6 months duration—and a majority of the members of that commission will be Members of Congress.

I will say when the bill was originally introduced, one of the problems I had in connection with it was that it would have created a commission outside of the Congress and would have given the decision of that commission the force of law unless we veto the decision.

I am pleased to say, in the form in which the bill stands before the House this afternoon, it will create a commission which can make a recommendation only. That commission will itself be made up in its majority by the Members of the Congress and it will be up to the Congress to do with that recommendation of the commission as the Congress wills.

I think there is no question of the need after so many years for an examination and a redrawing of the circuit court boundary lines in this country.

I would like to say further that it is my understanding, as a member of the committee, that it is the committee's intent that in the commission's recommendations the commission may recommend a larger number of circuit courts than now exists.

We presently have 11. If the commission should recommend that we have 12 or 13, that would be within the commission's power of recommendation. Whether such circuit courts were actually created would still be left to the Congress.

Mr. McCULLOCH. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Speaker, I rise in support of this bill.

Certainly, the system of circuit courts of appeal which was set up in 1891 has become outmoded and inadequate to handle the problems of the Federal judiciary today. I think the mere fact that some of the circuit courts now have as many as 13 and 15 sitting judges is an indication of how cumbersome and unwieldy the present geographical assignment of States to the respective circuits has become.

It is extremely difficult to administer a court with so many judges.

The inclusion of members of the judiciary on this commission is very essential to its success. I am glad the congressional representation has been increased, but nevertheless, it is the circuit court judges themselves who daily grapple with this problem and have the most knowledge concerning it through practical experience. They certainly should be represented on the commission and under the bill as reported by the committee. The Chief Justice will have the power to include circuit judges in his appointments.

I feel that it will greatly enhance the administration of justice in this country to have this kind of commission at work on this important problem.

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

Mr. Speaker, I rise in support of H.R. 7378, as amended by the Judiciary Committee. This bill would authorize the establishment of a commission of 15 members charged with the responsibility to study, within 6 months, the present division of the judicial circuits and to recommend to the President, the Congress, and the Chief Justice such changes in geographical boundaries of the circuits as may be most appropriate for the expeditious and effective disposition of judicial business.

Mr. Speaker, this legislation has no opposition. Subcommittee No. 5 held 5 days of public hearings and received testimony from nine witnesses and correspondence from many more interested parties. It was reported favorably on a unanimous vote both in the subcommittee and in the full committee. As amended, it has the support of the Department of Justice, the Judicial Conference of the United States, the Federal Judicial Center, the American Bar Association, the Federal Bar Association, and the chief judges of each of the 11 courts of appeals.

Our circuit court boundaries have not been studied with a view toward total realinement since 1890. Our country has changed considerably since the original circuit boundaries were established some 82 years ago. Different times creates new duties and responsibilities with consequent changes in the work and practices of our courts.

There has been a tremendous rise in the workload of the courts of appeals. In the last 10 years alone, appeals docketed have risen from 3,899 to 11,662—an increase of 199 percent. During the same period, a total of 154 new Federal district judgeships have been created. These and other factors have combined to increase the appellate caseload per judge.

Adding additional judgeships has serious limitations for our appellate courts. To increase the number of judgeships in a circuit beyond 15, and some say beyond nine, results in an unreasonable and unmanageable situation. Unless some realinement in geographic boundaries occurs, greater numbers of appellate judges will be needed. For this reason, it is important that this legislation be enacted and a short-term study commission established.

POPULATION INCREASES IN SELECTED CIRCUITS FROM 1890 TO 1970—H.R. 7378

	Year 1890	Year 1970
2d circuit:		
Connecticut	746, 258	3, 032, 217
New York	6, 003, 174	18, 241, 266
Vermont	332, 422	444, 732
Total	7, 081, 854	21, 718, 215
5th circuit:		
Alabama	1, 513, 401	3, 444, 165
Florida	391, 422	6, 789, 443
Georgia	1, 837, 353	4, 589, 575
Louisiana	1, 118, 588	3, 643, 180
Mississippi	1, 289, 600	2, 216, 912
Texas	2, 235, 527	11, 196, 730
Total	8, 385, 891	31, 880, 005
6th circuit:		
Kentucky	1, 858, 635	3, 219, 311
Michigan	2, 093, 890	8, 875, 083
Ohio	3, 672, 329	10, 652, 017
Tennessee	1, 767, 518	3, 924, 164
Total	9, 392, 372	26, 670, 575
9th circuit:		
Alaska	32, 052	302, 173
Arizona	88, 243	1, 772, 482
California	1, 213, 398	19, 953, 134
Hawaii (year 1900)	154, 001	769, 913
Idaho	88, 548	713, 008
Montana	142, 924	694, 409
Nevada	47, 355	488, 738
Oregon	317, 704	2, 091, 385
Washington	357, 232	3, 409, 169
Guam (year 1901)	9, 676	84, 996
Total	2, 451, 13[illegible]	30, 27[illegible], 407

TABLE 10.—POPULATION BY JUDICIAL DISTRICT, 1970, 1960, AND 1950

Circuit and district	Population 1970	Population 1960	Population 1950	Percent change, 1970 over 1960
Total all districts	206, 069, 480	181, 813, 984	153, 675, 486	13.3
District of Columbia	756, 510	763, 956	802, 178	−1.0
1st circuit	11, 060, 169	9, 933, 796	9, 140, 129	11.3
Maine	993, 663	969, 265	913, 774	2.5
Massachusetts	5, 689, 170	5, 148, 578	4, 690, 514	10.5
New Hampshire	737, 681	606, 921	533, 242	21.5
Rhode Island	949, 723	859, 488	791, 896	10.5
Puerto Rico	2, 689, 932	2, 349, 544	2, 210, 703	14.5
2d circuit	21, 667, 689	19, 707, 419	17, 215, 219	9.9
Connecticut	3, 032, 217	2, 535, 234	2, 007, 280	19.6
New York:				
Northern	2, 928, 766	2, 725, 454	2, 418, 585	7.5
Eastern	7, 410, 580	6, 625, 843	5, 429, 473	11.8
Southern	4, 896, 094	4, 703, 024	4, 641, 092	4.1
Western	2, 955, 300	2, 727, 983	2, 341, 042	8.3
Vermont	444, 732	389, 881	377, 747	14.1
3d circuit	19, 573, 377	17, 864, 539	15, 678, 091	9.6
Delaware	548, 104	446, 292	318, 085	22.8
New Jersey	7, 168, 164	6, 066, 782	4, 835, 329	18.2
Pennsylvania:				
Eastern	5, 111, 646	4, 747, 271	4, 217, 152	7.7
Middle	2, 425, 829	2, 285, 850	2, 212, 482	6.1
Western	4, 256, 434	4, 286, 245	4, 068, 378	−.7
Virgin Islands	63, 200	32, 099	26, 665	96.9
4th circuit	17, 987, 705	15, 866, 808	13, 846, 189	13.4
Maryland	3, 922, 399	3, 100, 689	2, 343, 001	26.5
North Carolina:				
Eastern	1, 921, 494	1, 791, 880	1, 614, 992	7.2
Middle	1, 707, 404	1, 514, 918	1, 323, 180	12.7
Western	1, 453, 161	1, 249, 357	1, 123, 757	16.3
South Carolina[1]	2, 590, 516	2, 382, 594		8.7
Eastern		1, 414, 637	1, 214, 463	
Western		967, 957	902, 564	
Virginia:				
Eastern	3, 089, 023	2, 485, 510	1, 891, 220	24.3
Western	1, 559, 471	1, 481, 439	1, 427, 460	5.3
West Virginia:				
Northern	777, 018	775, 702	807, 624	.2
Southern	967, 219	1, 084, 719	1, 197, 928	−10.8
5th circuit	31, 924, 655	27, 218, 378	21, 904, 072	17.3
Alabama:				
Northern	2, 006, 998	1, 856, 672	1, 733, 469	8.1
Middle	802, 795	774, 655	765, 398	3.6
Southern	634, 372	635, 413	562, 876	−.2
Florida:				
Northern	807, 804	671, 488	493, 770	20.3
Middle[2]	3, 483, 237	2, 598, 933		34.0
Southern[2]	2, 498, 402	1, 681, 139	2, 277, 535	48.6
Georgia:				
Northern	2, 327, 699	1, 819, 920	1, 478, 421	27.9
Middle	1, 365, 142	1, 281, 705	1, 190, 791	6.5
Southern	896, 734	841, 491	775, 366	6.6
Louisiana:				
Eastern	1, 885, 856	1, 719, 714	1, 339, 822	9.7
Western	1, 757, 324	1, 537, 308	1, 343, 694	14.3
Mississippi:				
Northern	889, 115	915, 168	987, 714	−2.9
Southern	1, 327, 797	1, 262, 973	1, 191, 200	5.1
Texas:				
Northern	3, 678, 996	3, 138, 775	2, 449, 485	17.2
Eastern	1, 476, 321	1, 341, 745	1, 307, 282	10.0
Southern	3, 384, 478	2, 757, 020	2, 089, 028	22.8
Western	2, 656, 935	2, 342, 137	1, 865, 399	13.4
Canal Zone	44, 650	42, 122	52, 822	6.0
6th circuit	26, 670, 575	24, 134, 836	20, 554, 917	10.5
Kentucky:				
Eastern	1, 499, 312	1, 459, 435	1, 527, 078	2.7
Western	1, 719, 999	1, 578, 721	1, 417, 728	8.9
Michigan:				
Eastern	6, 300, 659	5, 540, 674	4, 826, 545	13.7
Western	2, 574, 424	2, 282, 520	1, 545, 221	12.8
Ohio:				
Northern	5, 979, 998	5, 503, 518	4, 494, 852	8.7
Southern	4, 672, 019	4, 202, 879	3, 451, 775	11.2
Tennessee:				
Eastern	1, 623, 441	1, 501, 705	1, 410, 825	8.1
Middle	1, 100, 518	977, 053	896, 173	12.6
Western	1, 200, 205	1, 088, 331	984, 720	10.3
7th circuit	20, 725, 578	18, 695, 433	16, 080, 975	10.9
Illinois:				
Northern	7, 720, 576	6, 877, 685	5, 721, 292	12.3
Eastern	1, 471, 371	1, 405, 428	1, 343, 225	4.7
Southern	1, 922, 029	1, 798, 045	1, 647, 659	6.9
Indiana:				
Northern	2, 173, 756	1, 959, 615	1, 592, 794	10.9
Southern	3, 019, 913	2, 702, 883	2, 341, 430	11.7
Wisconsin:				
Eastern	2, 767, 963	2, 467, 394	2, 047, 030	12.2
Western	1, 649, 970	1, 484, 383	1, 387, 545	11.2
8th circuit	15, 998, 613	15, 001, 776	14, 065, 606	6.6
Arkansas:				
Eastern	1, 186, 124	1, 123, 897	1, 188, 611	5.5
Western	737, 171	662, 375	720, 900	11.3
Iowa:				
Northern	1, 377, 638	1, 371, 413	1, 298, 626	.5
Southern	1, 447, 403	1, 386, 124	1, 322, 447	4.4
Minnesota	3, 085, 069	3, 413, 864	2, 982, 483	11.5
Missouri:				
Eastern	2, 542, 084	2, 352, 474	2, 143, 218	8.1
Western	2, 135, 315	1, 967, 339	1, 811, 435	8.5
Nebraska	1, 483, 791	1, 411, 330	1, 325, 510	5.1
North Dakota	617, 761	632, 446	619, 636	−2.3
South Dakota	666, 257	680, 514	652, 740	−2.1
9th circuit	30, 281, 337	24, 194, 485	17, 263, 793	25.2
Alaska	302, 173	226, 167	128, 643	33.6
Arizona	1, 772, 482	1, 302, 161	749, 587	36.1
California:				
Northern[3]	5, 035, 266	3, 989, 816	4, 058, 154	26.2
Eastern	3, 143, 471	2, 620, 650		20.0
Central	10, 342, 051	8, 001, 622		29.2
Southern[3]	1, 432, 346	1, 105, 116	6, 528, 069	29.6
Hawaii	769, 913	632, 772	499, 794	21.7
Idaho	713, 008	667, 191	588, 637	6.9
Montana	694, 409	674, 767	591, 024	2.9
Nevada	488, 738	285, 278	160, 083	71.3
Oregon	2, 091, 385	1, 768, 687	1, 521, 341	18.2
Washington:				
Eastern	838, 777	813, 857	699, 285	3.1
Western	2, 570, 392	2, 039, 357	1, 679, 678	26.0
Guam	86, 926	67, 044	59, 498	30.0
10th circuit	9, 423, 272	8, 432, 558	7, 124, 317	11.7
Colorado	2, 207, 259	1, 753, 947	1, 325, 089	25.8
Kansas	2, 249, 071	2, 178, 611	1, 905, 299	3.2
New Mexico	1, 016, 000	951, 023	681, 187	6.8
Oklahoma:				
Northern	654, 349	581, 542	491, 620	12.5
Eastern	520, 403	617, 896	720, 153	−15.8
Western	1, 384, 501	1, 128, 846	1, 021, 578	22.6
Utah	1, 059, 273	890, 627	688, 862	18.9
Wyoming	332, 416	330, 066	290, 529	.7

[1] Eastern and Western districts of South Carolina consolidated under Public Law 89-242, effective Oct. 7 1965.

[2] The Middle district of Florida established under Public Law 87-562, effective July 30, 1962.

[3] The Eastern and Central districts of California were established under Public Law 89-372, effective Sept. 18, 1966.

Source: Census of Population, Advance Report, U.S. Bureau of the Census.

Mr. McCULLOCH. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, the first question I wish to ask the chairman of the committee is whether he intends to stay with the $50,000 that he is asking to be authorized for the support of this Commission, or whether he expects to come in with a supplemental for $500,000 or some such figure.

Mr. CELLER. It would be only a 6-month Commission, and the estimates that we get from the Director of the Administrative Office of the U.S. Courts indicate that maybe only $40,000 will be spent, not $50,000 which is authorized in the bill.

Mr. GROSS. I hope the gentleman is correct, and I hope you stay with the $50,000, since that is the presentation and justification you are making to the House today.

On page 6 of the bill, you definitely limit the scope of this bill to the geographical boundaries of the circuits. Why should not the proposed Commission have a look at whether these judges are performing properly, whether they are spending the time on the job that they ought to be spending? Why was the work of the Commission limited exclusively to boundaries? Can the gentleman from Virginia give me a little help on that question? Why was the work of the Commission limited to geographical boundaries and not broadened to include any other aspect of the functioning of courts of appeal?

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

Mr. GROSS. Yes; I am glad to yield to the gentleman from Virginia.

Mr. POFF. The bill as drawn had a much broader scope. It would have authorized the Commission to inquire not only into questions of geography but also questions of jurisdiction, procedure, and perhaps other proposed changes in the law. But that would have required a 2-year period. It would have involved an expenditure in excess of a half million dollars. And the recommendations of the Commission were to become law with the inaction of the Congress. We felt that it would be wiser to limit the mandate to the Commission.

Mr. GROSS. Let me ask the gentleman this pertinent question: Why was the position of the Department of Justice not included in the report accompanying the bill? There is nothing in the report to indicate its position. I would think that the Department of Justice would be one Department whose reaction the committee would have sought

Mr. POFF. It is true, as the gentleman has said, that there is no formal communication from the Department printed in the report, but the text of the report cites the fact that the Justice Department supports the bill with this limited mandate.

Mr. GROSS. Let me ask the gentleman this question. At the bottom of page 6 of the bill the language provides that the Director of the Administrative Office of the U.S. Court shall serve as Executive Director to the Commission, and then in the next sentence on page 7 the bill refers to "The Administration Office of the United States Courts." Do we have two such offices?

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

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

Mr. POFF. The gentleman has preempted my own thought. Not more than an hour ago I called this typographical error to the attention of the Clerk. It will be corrected by an appropriate amendment.

Mr. GROSS. That leads to my next question. Why cannot the Administrative Office of the U.S. Courts or the so-called Federal Judicial Center, or the two in combination, instead of creating a commission and spending $50,000, come in with a recommendation?

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

Mr. McCULLOCH. Mr. Speaker, I yield the gentleman from Iowa 1 minute.

Mr. GROSS. Mr. Speaker, I yield to the gentleman from Virginia (Mr. POFF).

Mr. POFF. Mr. Speaker, I was about to say in response to the gentleman's question that the Administrative Office of the U.S. Courts and the Federal Judicial Center are both oriented toward the Judiciary, and the committee felt it would be best to have the commission consist of both professionals and laymen.

Mr. McCULLOCH. Mr. Speaker, I yield the remaining time to the gentleman from Missouri (Mr. HALL).

Mr. HALL. Mr. Speaker, under any rules of procedure of the House, this committee today closely exemplifies the fact that those in opposition to a bill should demand and obtain the "second", rather than flavor their action with the milk of human kindness.

Be that as it may, the reasons have been many times multiplied here today as to why this bill should be at least considered under limited debate and not brought up by unanimous consent. I think the colloquy has amply proved that.

I, for one, do appreciate the committee's actions in "sweetening" this bill as they have. The fact remains we are populating ourselves out of existence, and the statistics submitted by the gentleman from Ohio are impressive. Although we are rapidly becoming judicially—as well as consumers—beyond the capability of producers to support, the question here is not simply the increase in population relative to the number of judges that we in this body have created according to the Constitution. It is a question of additional assignments of jurisdiction plus the self-assumed duties of the various courts by fiat and by decree which have brought about the problem and the great backlog of cases. It is the problem of the judicial image being tarnished by other responsibilities than attendance in the court—and being first off the golf tee instead of doing overtime in the courtrooms—that has allowed the backlog of cases to build up. This can only be solved by our changing the rules of appointment, tenure, and termination in the entire judiciary.

The answer is not more personnel, more money, more clerks, more magistrates, and more executive officers.

Mr. Speaker, I would like to ask what the members of the Commission will be paid if they are appointed from outside the executive, legislative, or judicial branches?

Members are only to be paid expenses according to the report, but their staffs, of course, are allowed an authorization of $50,000. It appears, furthermore, that there is some reservation, because the use of the word "appears," or the phrase "on the face of it" is replete in the Administrative Office of the U.S. Courts concurrence in this bill.

For all these reasons, I question whether we should establish another Commission or whether we should rather do our own duty, ourselves.

I finally question whether this Advisory group comes under last week's passage of the Federal Advisory Committee Standards Act in this body, or not.

Mr. RARICK. Mr. Speaker, H.R. 7378 would establish a commission to redistrict the judicial circuits of the United States. Judging from the debate, the prime criteria for redistricting will be the circuits' caseloads or even more interestingly upon their backlogs.

The committee report indicates that the caseload of the Supreme Court of the United States has remained fairly constant for some time, while the court of appeals, with 97 judges is said to continue to suffer from the pressures of an ever-increasing volume of litigation.

I most certainly agree that the caseload figures submitted indicate that attention must be given to our appellate court process. However, I question that merely redefining the circuits geographically would in itself offer any solution in removing the case backlog or in settling the differences of judicial temperament and the variances of judicial discretion among the various judges of the circuits.

Little consideration is being given to the causes responsible for the ever-increasing volume of litigation. I was happy to learn from the gentleman from Virginia (Mr. POFF) that at least modification of appellate jurisdiction was recognized as one solution to the problem. Yet, nowhere in this legislation is the commission authorized to consider repeal or revision of any appellate jurisdiction which has been conferred by the Congress. Anyone familiar with the judicial process in this country, is aware that the backlog in justice is the result of the volumes of so-called reform legislation which has been passed by this Congress authorizing extension of Federal questions. Appellate courts, especially the Fifth Circuit Court of Appeals in which my district is located, is deluged with class actions, cases on social justice, race relations, school desegregation, with a dismal promise for the future with increased litigation from consumerism and ecology.

Also involved is the matter of judicial

discretion, which is beyond legislation. There is a wide variation between the exercise of judicial discretion among judges of the various circuits. Certainly many of the judges in those circuits who feel that they are so overworked bring much of their overload upon themselves by failure to exercise sound discretion as to what is a justiciable matter and, by warping the rules of their court and expanding the interpretation of our laws, seem to go out of their way to find an excuse to grant appellate jurisdiction.

In my area, citizens grow weary of being told that justice must be delayed while the appellate judges are busy making headlines over cases deciding the length of a young girl's skirt, the proper length of a boy's hair that will allow him to remain in school, or the spectacle of holding court on a high school teacher to force him to remove a Confederate flag from his office, or to enjoin a high school from allowing its band to play "Dixie," or to be told that the judge is in Washington or New York City cutting national TV tapes to prevent confirmation of a Supreme Court appointee, or to redistrict a school board or a State legislature, or congressional districts so that they can conform to some one-man one-vote theory of equality of numbers.

I most certainly agree that we have a problem, not with the Federal courts, but for the most part, with some who presently serve on the bench and who lack the initiative and fair judgment to run their own office. If they are unable to dispose of their own backlog, then we most certainly accomplish nothing by continuing to give them jurisdiction by passing new reform laws. To the contrary, if they look to us to solve their little crises of procrastination because they are socially occupied playing golf and attending judicial seminars, we do not need any commission to rubber stamp approval of their recommendations—which we all know will be that we give them additional judges—we need only here in this House to modify their appellate juridiction under existing laws and start limiting their discretion to grant appeals on every whim. Justice would not be harmed more than it now is by delay since the Supreme Court has the right to review lower court decisions by way of writs.

By way of passing, I note that the committee report which accompanies the bill contains an interesting letter from the U.S. Commission on Civil Rights to the chairman, which I would like to read:

U.S. COMMISSION ON CIVIL RIGHTS,
Washington, D.C., May 17, 1971.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of April 13 for comments of this agency on H.R. 7378—To establish a Commission on Revision of the Judicial Circuits of the United States.

H.R. 7378 is a bill establishing a Commission on the Revision of the Judicial Circuits of the United States. The proposed Commission would study the present division of the United States into several judicial circuits and would recommend to the President, Congress, and the Chief Justice of the United States, appropriate changes designed to more expeditiously and effectively dispose of judicial business in the United States Courts of Appeal. Section 6 provides that the Commission shall submit a final report within two years of the date of the act. Its recommendation shall take effect within 90 days of the final report subject to specific disapproval by Congress in part or in whole.

On its face, the establishment of this Commission, with its attendant obligation to make recommendations appears to have no adverse consequences from the viewpoint of this agency. Section 6 appears to provide sufficient safeguards for legislative consideration of recommendations which might have adverse civil rights consequences.

Since it is not known what specific recommendations the Commission proposed by H.R. 7378 would make, any comment on this issue would be purely speculative and premature. In the event that the Commission on Revision of the Judicial Circuits is established by Congress, the Commission on Civil Rights would be pleased to have an opportunity to comment on draft recommendations before a final report is made to the President and Congress as provided in Section 6 of the bill.

Sincerely,

HOWARD A. GLICKSTEIN.

It is not quite certain whether the committee regards the Civil Rights Commission as an appellate forum over the commission here sought to be established. But it does raise questions as to why the Civil Rights Commission was requested to comment on the appellate revision or if it is now necessary to have a no-opposition report from the Civil Rights Commission before Congress can consider judicial legislation. Especially is this true noting the suggestion that the Civil Rights Commission be granted an opportunity to comment on the proposed draft recommendations before the final report is returned to the President, or Congress. Such inquiry is only aggravated by consideration as to why the Civil Rights Commission letter was regarded so important to this legislation that it was included in the report which accompanies this bill, unless it is an acknowledgement that civil rights legislation constitutes a major portion of the backlog.

Because I do not feel that the commission duty proposed by this legislation will solve the problems we all acknowledge exist, I oppose this legislation. Rather, I feel that this problem can only be solved by limiting appellate jurisdiction and by demanding that those who occupy the Federal bench devote their full time and energies to their judicial duties. The American people have the right to a full financial disclosure of the outside interests of Federal judges who now seek additional relief at taxpayers' expense.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. CELLER), that the House suspend the rules and pass the bill H.R. 7378, as amended.

The question was taken.

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 319, nays 25, not voting 87, as follows:

[Roll No. 151]

YEAS—319

Abourezk	Fascell	Mazzoli
Abzug	Findley	Meeds
Adams	Fisher	Metcalfe
Alexander	Flood	Michel
Anderson, Calif.	Flowers	Miller, Ohio
Anderson, Ill.	Flynt	Mills, Md.
Andrews, N. Dak.	Foley	Minish
Annunzio	Ford, William D.	Mink
Archer	Forsythe	Minshall
Arends	Fountain	Monagan
Ashley	Frenzel	Montgomery
Aspin	Frey	Moorhead
Aspinall	Fulton	Morgan
Baring	Fuqua	Mosher
Begich	Garmatz	Moss
Bennett	Gettys	Murphy, Ill.
Bergland	Giaimo	Murphy, N.Y.
Betts	Gibbons	Myers
Bevill	Gonzalez	Natcher
Biaggi	Goodling	Nedzi
Biester	Grasso	Nelsen
Blatnik	Gray	Obey
Boggs	Green, Oreg.	O'Hara
Boland	Griffiths	Passman
Bolling	Grover	Patman
Brademas	Gubser	Patten
Brasco	Gude	Pelly
Bray	Haley	Pepper
Brinkley	Hamilton	Perkins
Brooks	Hammer-schmidt	Pettis
Broomfield	Hanley	Pike
Brotzman	Hansen, Idaho	Pirnie
Brown, Mich.	Hansen, Wash.	Podell
Brown, Ohio	Harrington	Poff
Broyhill, N.C.	Harsha	Powell
Broyhill, Va.	Harvey	Preyer, N.C.
Buchanan	Hastings	Price, Ill.
Burke, Fla.	Hathaway	Price, Tex.
Burke, Mass.	Hays	Purcell
Burleson, Tex.	Hébert	Quie
Burlison, Mo.	Hechler, W. Va.	Quillen
Burton	Heckler, Mass.	Railsback
Byrne, Pa.	Heinz	Randall
Byrnes, Wis.	Henderson	Rangel
Byron	Hicks, Mass.	Rees
Cabell	Hicks, Wash.	Reid
Caffery	Hillis	Reuss
Carey, N.Y.	Hogan	Rhodes
Carlson	Holifield	Riegle
Carney	Horton	Roberts
Carter	Hosmer	Robinson, Va.
Casey, Tex.	Howard	Roe
Cederberg	Hungate	Rogers
Celler	Hunt	Roncalio
Clancy	Hutchinson	Rooney, N.Y.
Clark	Ichord	Rooney, Pa.
Clausen, Don H.	Jacobs	Rosenthal
Clawson, Del	Jarman	Rostenkowski
Cleveland	Johnson, Pa.	Roush
Collier	Jonas	Roy
Collins, Ill.	Jones, Ala.	Roybal
Collins, Tex.	Karth	Runnels
Colmer	Kastenmeier	Ruppe
Conable	Kazen	Ruth
Conte	Keating	Ryan
Corman	Kee	Sandman
Coughlin	Keith	Saylor
Crane	King	Scherle
Culver	Koch	Schneebeli
Daniel, Va.	Kuykendall	Schwengel
Daniels, N.J.	Kyl	Sebelius
Danielson	Kyros	Seiberling
Davis, Wis.	Landgrebe	Shipley
de la Garza	Landrum	Shriver
Dellenback	Latta	Skubitz
Dellums	Leggett	Slack
Dennis	Lennon	Smith, Calif.
Dent	Lent	Smith, Iowa
Derwinski	Long, Md.	Smith, N.Y.
Devine	Lujan	Snyder
Dickinson	McCloskey	Springer
Dingell	McClure	Staggers
Donohue	McCollister	Stanton, J. William
Dorn	McCulloch	Stanton, James V.
Dow	McDade	Steed
Downing	McDonald, Mich.	Steele
Drinan	McFall	Steiger, Wis.
Duncan	McKinney	Stokes
du Pont	McMillan	Stratton
Dwyer	Mahon	Symington
Eckhardt	Mailliard	Talcott
Edwards, Ala.	Mallary	Taylor
Edwards, Calif.	Mann	Teague, Calif.
Eilberg	Martin	Teague, Tex.
Erlenborn	Mathias, Calif.	Terry
Esch	Matsunaga	Thompson, N.J.
Evans, Colo.	Mayne	Thomson, Wis.

Thone	Ware	Wright
Tiernan	Whalen	Wyatt
Ullman	White	Wydler
Van Deerlin	Whitehurst	Wyman
Vander Jagt	Widnall	Yates
Vanik	Wiggins	Young, Tex.
Veysey	Williams	Zablocki
Vigorito	Wilson,	Zion
Waldie	Charles H.	Zwach
Wampler	Wolff	

NAYS—25

Abbitt	Jones, N.C.	Steiger, Ariz.
Abernethy	Mathis, Ga.	Stuckey
Andrews, Ala.	O'Konski	Waggonner
Ashbrook	Poage	Whitten
Camp	Rarick	Winn
Chappell	Satterfield	Wylie
Gaydos	Scott	Young, Fla.
Gross	Sikes	
Hall	Spence	

NOT VOTING—87

Addabbo	Fraser	Miller, Calif.
Anderson, Tenn.	Frelinghuysen	Mills, Ark.
Badillo	Galifianakis	Mitchell
Baker	Gallagher	Mizell
Barrett	Goldwater	Mollohan
Belcher	Green, Pa.	Nichols
Bell	Griffin	Nix
Bingham	Hagan	O'Neill
Blackburn	Halpern	Peyser
Blanton	Hanna	Pickle
Bow	Hawkins	Pryor, Ark.
Chamberlain	Helstoski	Pucinski
Chisholm	Hull	Robison, N.Y.
Clay	Johnson, Calif.	Rodino
Conyers	Jones, Tenn.	Rousselot
Cotter	Kemp	St Germain
Curlin	Kluczynski	Sarbanes
Davis, Ga.	Link	Scheuer
Davis, S.C.	Lloyd	Schmitz
Delaney	Long, La.	Shoup
Denholm	McClory	Sisk
Diggs	McCormack	Stephens
Dowdy	McEwen	Stubblefield
Dulski	McKay	Sullivan
Edmondson	McKevitt	Thompson, Ga.
Eshleman	Macdonald, Mass.	Udall
Evins, Tenn.	Madden	Whalley
Fish	Melcher	Wilson, Bob
Ford, Gerald R.	Mikva	Yatron

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

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Gerald R. Ford.
Mr. Rodino with Mr. Bow.
Mr. Addabbo with Mr. Whalley.
Mr. Davis of Georgia with Mr. Rousselot.
Mr. Delaney with Mr. Fish.
Mr. Dulski with Mr. Halpern.
Mr. Green of Pennsylvania with Mr. Eshleman.
Mr. Hagan with Mr. Schmitz.
Mr. Helstoski with Mr. Frelinghuysen.
Mr. Hull with Mr. Belcher.
Mr. Jones of Tennessee with Mr. Lloyd.
Mr. Kluczynski with Mr. McClory.
Mrs. Sullivan with Mr. Chamberlain.
Mr. Sisk with Mr. Bob Wilson.
Mr. Yatron with Mr. Kemp.
Mr. Macdonald of Massachusetts with Mr. McEwen.
Mr. Mikva with Mr. Barrett.
Mr. Miller of California with Mr. Bell.
Mr. Nichols with Mr. Shoup.
Mr. Nix with Mr. Gallagher.
Mr. Pickle with Mr. Thompson of Georgia.
Mr. Pucinski with Mr. Bingham.
Mr. Sarbanes with Mrs. Chisholm.
Mr. St Germain with Mr. Peyser.
Mr. Stubblefield with Mr. Mizell.
Mr. Stephens with Mr. Blackburn.
Mr. Madden with Mr. Clay.
Mr. Mollohan with Mr. McKevitt.
Mr. Cotter with Mr. Conyers.
Mr. Blanton with Mr. Curlin.
Mr. Anderson of Tennessee with Mr. Baker.
Mr. Hanna with Mr. Robison of New York.
Mr. Fraser with Mr. Diggs.
Mr. Davis of South Carolina with Mr. McKay.
Mr. Link with Mr. Long of Maryland.
Mr. Udall with Mr. Scheuer.
Mr. Denholm with Mr. Mitchell.
Mr. Hawkins with Mr. Badillo.
Mr. Edmondson with Mr. Galifianakis.
Mr. McCormack with Mr. Mills of Arkansas.
Mr. Evins of Tennessee with Mr. Goldwater.
Mr. Griffin with Mr. Melcher.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill (H.R. 7378) just passed.

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

There was no objection.

AUTHORIZING SECRETARY OF THE INTERIOR TO PARTICIPATE IN PLANNING AND DESIGN OF NATIONAL MEMORIAL TO FRANKLIN DELANO ROOSEVELT

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 812) to authorize the Secretary of the Interior to participate in the planning and design of a national memorial to Franklin Delano Roosevelt, and for other purposes.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the joint resolution approved August 11, 1955 (69 Stat. 694), providing for the establishment of a Commission to formulate plans for a memorial to Franklin Delano Roosevelt, is amended by redesignating section 3 as section 4 and inserting the following new section:

"SEC. 3. The Secretary of the Interior is authorized, upon the request of the Commission, to participate in the planning and design of the memorial."

(b) Section 4, as herein redesignated, of such joint resolution is amended to read as follows:

"SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution."

The SPEAKER. Is a second demanded?

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

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

There was no objection.

Mr. NEDZI. Mr. Speaker, the purpose of this joint resolution is to authorize the Secretary of the Interior to participate in the planning and design of a national memorial to Franklin Delano Roosevelt. This legislation has been unanimously approved by the Committee on House Administration.

As you know, Congress in 1955 established the Franklin Delano Roosevelt Memorial Commission and directed it to formulate plans for a memorial to the late President. Subsequently, Congress reserved 27 acres in West Potomac Park as the site. However, there has not been concurrence on a design for the memorial on the part of the appropriate authorities.

Recently, the concept of a national rose garden was advanced, and it appears that this plan has appeal to all parties concerned. Accordingly, the Chairman of the Franklin Delano Roosevelt Memorial Commission, the Honorable Eugene J. Keogh, advises that the Commission has requested the assistance of the Department of the Interior in this matter, and that the passage of this joint resolution would expedite the erection of a suitable memorial and insure that the ultimate design would conform to the long range plans of the Park Service for the area.

The Department of the Interior, in recommending the enactment of this legislation, estimates the costs of planning and design, including materials, to be $175,000.

Comments on House Joint Resolution 812 were requested from the Department of the Interior, the Commission of Fine Arts, the National Capital Planning Commission, the District of Columbia, and the Franklin Delano Roosevelt Memorial Commission. None expressed any objections to this measure.

Mr. Speaker, as you know, more than a quarter century has passed since the death of President Roosevelt. In my view, an appropriate and lasting memorial to F. D. R. is long overdue, and this legislation will spur concerted action toward its realization. Accordingly, I urge the final approval of House Joint Resolution 812.

Mr. SCHWENGEL. Mr. Speaker, I rise in support of this joint resolution and yield myself such time as I may consume.

I believe it is fitting and proper that the Park Service be involved in this, through the Secretary of the Interior. I had much to do with the planning, preparation, and care aspects. I believe it is fitting and proper that this joint resolution be considered and advanced.

I should like to point out that this kind of a memorial is not a new idea. We have the site for the memorial for Teddy Roosevelt. We took Roosevelt Island and built a setting there where we had an appropriate memorial in a fine setting.

I believe this is an appropriate and hopefully an adequate memorial to a great leader in a very critical time.

Those Members who have served in the House of Representatives for a number of years remember well that we have gone round on this matter several times previously in efforts to reach agreement as to a suitable monument for our late President.

The Franklin Delano Roosevelt Commission was established in 1955 to formulate plans for a suitable memorial. In 1959 the Commission was authorized to hold a national competition for a memorial design. The prize-winning design was the cluster of giant stone tablets which was immediately dubbed as the "Instant Stonehenge," and was turned down. In an effort to gain acceptance that design was modified but it was still rejected, as was another new design.

Finally it was proposed that a rose garden be planted to honor the Nation's 32d President and that idea seems to have gained general acceptance.

The rose garden memorial would be located on a site already reserved in West Potomac Park in the area between the Tidal Basin and the Potomac River. An important reason for bringing the Interior Department in at this time to participate in the planning of the memorial is to help assure that the plans are in keeping with the overall plans for the Mall and surrounding areas.

I believe that the rose garden along with a modest but appropriate statue would be a fitting memorial to our late President Franklin D. Roosevelt. Incidentally, Mr. Speaker, the name "Roosevelt," as I understand it, from its Dutch origin means "Field of Roses."

Mr. Speaker, I urge the passage of this legislation.

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

Mr. SCHWENGEL. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. May I ask the gentleman why this bill was left with an open-end authorization?

Mr. SCHWENGEL. We discussed this matter. I believe the chairman of the committee outlined the estimated cost of $175,000. The plans now are to get the money from the public by donation.

There is a fund somewhere, and the chairman may be able to confirm this, of money now in the extent of some substantial amount to be used for this.

Mr. NEDZI. Mr. Speaker, if the gentleman will yield, the Department of the Interior has indicated the estimate of the cost would be $175,000. The reason why there is an open-end authorization is that we do not know for certain just what the amount will be.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, that is the whole point of the authorizing legislation. The Members of the House are entitled to have some fixed amount. Under a suspension of the rules procedure no amendment can be affored even to write in a limitation of $175,000.

Let me ask the gentleman another question. Perhaps colleagues on the other side of the aisle can answer. How much has already been spent on architectural fees, planning, and so on and so forth, for a memorial for President Franklin Delano Roosevelt? Does anyone have an estimate?

Mr. SCHWENGEL. I have one figure. It is a substantial amount used in the original planning, something over $300,000 already put into planning.

Mr. NEDZI. Mr. Speaker, if the gentleman will yield, it is $360,000. This includes the prize money that was awarded for the design which was subsequently turned down.

Mr. SCHWENGEL. And that was under a provision of legislation authorized by the Congress some years ago, I think in 1955.

Mr. GROSS. Will the gentleman yield further?

Mr. SCHWENGEL. Yes.

Mr. GROSS. If I may ask the gentleman from Michigan, was the winning architect, the architect who came up with the proposal for concrete slabs all over the 27 acres, or was it the architect who is now recommending a rose garden?

Mr. NEDZI. No, the winning design was the so-called concrete slabs.

Mr. GROSS. And that was rejected out of hand by the Roosevelt family; was it not?

Mr. NEDZI. Among others, that is correct.

Mr. SCHWENGEL. And by the Congress.

Mr. GROSS. That is some $360,000-odd down the drain.

Mr. HALL. Will the gentleman yield?

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

Mr. HALL. May I ask if under the rose garden concept it is planned to use the entire 27 acres of the Potomac Park area?

Mr. SCHWENGEL. As I understand it, this is yet to be considered. We have that set aside under authority of the Congress itself. My observation is when the question was raised before the committee that that may or may not be.

Mr. HALL. I hope the legislative record might be made that that portion which is not to be used for an appropriate rose garden would revert to the National Park Service for continued use by the public.

Mr. SCHWENGEL. It will. As I understand the legislation as now written, that will be the provision.

Mr. HALL. I thank the gentleman.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the joint resolution (H.J. Res. 812).

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 332, nays 3, not voting 91, as follows:

[Roll No. 152]

YEAS—332

Abbitt	Bevill	Byrnes, Wis.
Abernethy	Biaggi	Byron
Abourezk	Biester	Cabell
Abzug	Blatnik	Caffery
Adams	Boggs	Camp
Alexander	Boland	Carlson
Anderson, Calif.	Bolling	Carney
Anderson, Ill.	Brademas	Carter
Andrews, Ala.	Brasco	Casey, Tex.
Andrews, N. Dak.	Bray	Cederberg
Annunzio	Brinkley	Chappell
Archer	Broomfield	Clancy
Arends	Brotzman	Clark
Ashbrook	Brown, Mich.	Cleveland
Ashley	Brown, Ohio	Collier
Aspin	Broyhill, N.C.	Collins, Ill.
Aspinall	Broyhill, Va.	Collins, Tex.
Baring	Buchanan	Colmer
Begich	Burke, Fla.	Conable
Bennett	Burke, Mass.	Conte
Bergland	Burleson, Tex.	Corman
Betts	Burlison, Mo.	Coughlin
Bingham	Burton	Culver
Blackburn	Byrne, Pa.	Daniels, N.J.
Blanton	Carey, N.Y.	Davis, Ga.
Bow	Celler	Davis, Wis.
Brooks	Chamberlain	de la Garza
Broomfield	Chisholm	Delaney
Brotzman	Clausen, Don H.	Dellenback
Brown, Mich.	Clay	Dellums
Brown, Ohio	Conyers	Dennis
Broyhill, N.C.	Corbett	Dent
Broyhill, Va.	Corman	Derwinski
Buchanan	Coughlin	Devine
Burke, Fla.	Culver	Dickinson
Burke, Mass.	Daniel, Va.	Dingell
Burleson, Tex.	Daniels, N.J.	Donohue
Burlison, Mo.	Danielson	Dorn
Burton	Davis, Wis.	Dow
Byrne, Pa.	de la Garza	Downing
Byrnes, Wis.	Delaney	Drinan
Byron	Dellenback	Duncan
Cabell	Dellums	du Pont
Caffery	Dennis	Dwyer
Camp	Dent	Eckhardt
Carlson	Derwinski	Edwards, Ala.
Carney	Devine	Edwards, Calif.
Carter	Dickinson	Eilberg
Casey, Tex.	Dingell	Erlenborn
Cederberg	Donohue	Esch
Chappell	Dorn	Evans, Colo.
Clancy	Dow	Evins, Tenn.
Clark	Downing	Fascell
Cleveland	Drinan	Findley
Collier	Duncan	Fisher
Collins, Ill.	du Pont	Flood
Collins, Tex.	Dwyer	Flowers
Colmer	Eckhardt	Flynt
Conable	Edwards, Ala.	Foley
Conte	Edwards, Calif.	Ford, William D.
Corman	Eilberg	Forsythe
Corbett	Erlenborn	Fountain
Coughlin	Esch	Frenzel
Culver	Evans, Colo.	Frey
Daniel, Va.	Evins, Tenn.	Fulton
Daniels, N.J.	Fascell	Fuqua
Danielson	Findley	Garmatz
Davis, Wis.	Fisher	Gaydos
de la Garza	Flood	Gettys
Delaney	Flowers	Giaimo
Dellenback	Flynt	Gibbons
Dellums	Foley	Gonzalez
Dennis	Ford, William D.	Goodling
Dent	Forsythe	Grasso
Derwinski	Fountain	Gray
Devine	Frenzel	Green, Oreg.
Dickinson	Frey	Griffin
Dingell	Fulton	Griffiths
Donohue	Fuqua	Gross
Dorn	Garmatz	Grover
Dow	Gaydos	Gubser
Downing	Gettys	Gude
Drinan	Giaimo	Haley
Duncan	Gibbons	Hall
du Pont	Gonzalez	Hamilton
Dwyer	Goodling	Hammer-schmidt
Eckhardt	Grasso	Hanley
Edwards, Ala.	Gray	Hansen, Idaho
Edwards, Calif.	Green, Oreg.	Hansen, Wash.
Eilberg	Griffin	Harrington
Erlenborn	Griffiths	Harsha
Esch	Gross	Harvey
Evans, Colo.	Grover	Hastings
Evins, Tenn.	Gubser	Hathaway
Fascell	Gude	Hays
Findley	Haley	Hébert
Fisher	Hall	Hechler, W. Va.
Flood	Hamilton	Heckler, Mass.
Flowers	Hammer-schmidt	Heinz
Flynt	Hanley	Henderson
Foley	Hansen, Idaho	Hicks, Mass.
Ford, William D.	Hansen, Wash.	Hicks, Wash.
Forsythe	Harrington	Hillis
Fountain	Harsha	Hogan
Frenzel	Harvey	Horton
Frey	Hastings	Hosmer
Fulton	Hathaway	Howard
Fuqua	Hays	Hungate
Garmatz	Hébert	Hunt
Gaydos	Hechler, W. Va.	Hutchinson
Gettys	Heckler, Mass.	Ichord
Giaimo	Heinz	Jacobs
Gibbons	Henderson	Jarman
Gonzalez	Hicks, Mass.	Johnson, Calif.
Goodling	Hicks, Wash.	Johnson, Pa.
Grasso	Hillis	Jonas
Gray	Hogan	Jones, Ala.
Green, Oreg.	Horton	Jones, N.C.
Griffin	Hosmer	Karth
Griffiths	Howard	Kastenmeier
Gross	Hungate	Kazen
Grover	Hunt	Keating
Gubser	Hutchinson	Kee
Gude	Ichord	Koch
Haley	Jacobs	Kuykendall
Hall	Jarman	Kyl
Hamilton	Johnson, Calif.	Kyros
Hammer-schmidt	Johnson, Pa.	Landrum
Hanley	Jonas	Latta
Hansen, Idaho	Jones, Ala.	Leggett
Hansen, Wash.	Jones, N.C.	Lennon
Harrington	Karth	Lent
Harsha	Kastenmeier	Long, Md.
Harvey	Kazen	Lujan
Hastings	Keating	McCloskey
Hathaway	Kee	McClure
Hays	Koch	McCulloch
Hébert	Kuykendall	McDade
Hechler, W. Va.	Kyl	McDonald, Mich.
Heckler, Mass.	Kyros	McFall
Heinz	Landrum	McKinney
Henderson	Latta	McMillan
Hicks, Mass.	Leggett	Mahon
Hicks, Wash.	Lennon	Mallary
Hillis	Lent	Mann
Hogan	Long, Md.	Martin
Horton	Lujan	Mathias, Calif.
Hosmer	McCloskey	Mathis, Ga.
Howard	McClure	Matsunaga
Hungate	McCulloch	Mayne
Hunt	McDade	Mazzoli
Hutchinson	McDonald, Mich.	Meeds
Ichord	McFall	Melcher
Jacobs	McKinney	Michel
Jarman	McMillan	Miller, Ohio
Johnson, Calif.	Mahon	Mills, Md.
Johnson, Pa.	Mallary	Minish
Jonas	Mann	Mink
Jones, Ala.	Martin	Minshall
Jones, N.C.	Mathias, Calif.	Monagan
Karth	Mathis, Ga.	Montgomery
Kastenmeier	Matsunaga	Moorhead
Kazen	Mayne	Morgan
Keating	Mazzoli	Mosher
Kee	Meeds	Moss
Koch	Melcher	Murphy, Ill.
Kuykendall	Michel	Murphy, N.Y.
Kyl	Miller, Ohio	Myers
Kyros	Mills, Md.	Natcher
Landrum	Minish	Nedzi
Latta	Mink	Nelsen
Leggett	Minshall	Obey
Lennon	Monagan	O'Hara
Lent	Montgomery	Passman
Long, Md.	Moorhead	Patman
Lujan	Morgan	Patten
McCloskey	Mosher	Pelly
McClure	Moss	Pepper
McCulloch	Murphy, Ill.	Perkins
McDade	Murphy, N.Y.	Pettis
McDonald, Mich.	Myers	Pike
McFall	Natcher	Pirnie
McKinney	Nedzi	Poage
McMillan	Nelsen	Podell
Mahon	Obey	Poff
Mallary	O'Hara	Powell
Mann	Passman	Preyer, N.C.
Martin	Patman	Price, Ill.
Mathias, Calif.	Patten	Price, Tex.
Mathis, Ga.	Pelly	Purcell
Matsunaga	Pepper	Quie
Mayne	Perkins	Quillen
Mazzoli	Pettis	Railsback
Meeds	Pike	Randall
Melcher	Pirnie	Rangel
Michel	Poage	Rarick
Miller, Ohio	Podell	Rees
Mills, Md.	Poff	Reid
Minish	Powell	Reuss
Mink	Preyer, N.C.	Rhodes
Minshall	Price, Ill.	Riegle
Monagan	Price, Tex.	Roberts
Montgomery	Purcell	Robinson, Va.
Moorhead	Quie	Roe
Morgan	Quillen	Rogers
Mosher	Railsback	Roncalio
Moss	Randall	Rooney, N.Y.
Murphy, Ill.	Rangel	Rooney, Pa.
Murphy, N.Y.	Rarick	Rosenthal
Myers	Rees	Rostenkowski
Natcher	Reid	Roush
Nedzi	Reuss	Roy
Nelsen	Rhodes	Roybal
Obey	Riegle	Runnels
O'Hara	Roberts	Ruppe
Passman	Robinson, Va.	Ruth
Patman	Roe	Ryan
Patten	Rogers	Sandman
Pelly	Roncalio	Satterfield
Pepper	Rooney, N.Y.	Saylor
Perkins	Rooney, Pa.	Schneebeli
Pettis	Rosenthal	Schwengel
Pike	Rostenkowski	Scott
Pirnie	Roush	Sebelius
Poage	Roy	Seiberling
Podell	Roybal	Shipley
Poff	Runnels	Shriver
Powell	Ruppe	Sikes
Preyer, N.C.	Ruth	Skubitz
Price, Ill.	Ryan	Slack
Price, Tex.	Sandman	Smith, Calif.
Purcell	Satterfield	Smith, Iowa
Quie	Saylor	Smith, N.Y.
Quillen	Schneebeli	Snyder
Railsback	Schwengel	Spence
Randall	Scott	Springer
Rangel	Sebelius	Staggers
Rarick	Seiberling	Stanton, J. William
Rees	Shipley	Stanton, James V.
Reid	Shriver	Steed
Reuss	Sikes	Steele
Rhodes	Skubitz	Steiger, Ariz.
Riegle	Slack	Steiger, Wis.
Roberts	Smith, Calif.	Stokes
Robinson, Va.	Smith, Iowa	Stratton
Roe	Smith, N.Y.	Stuckey
Rogers	Snyder	Symington
Roncalio	Spence	Talcott
Rooney, N.Y.	Springer	Taylor
Rooney, Pa.	Staggers	Teague, Calif.
Rosenthal	Stanton, J. William	Teague, Tex.
Rostenkowski	Stanton, James V.	Terry
Roush	Steed	Thompson, N.J.
Roy	Steele	Thomson, Wis.
Roybal	Steiger, Ariz.	Thone
Runnels	Steiger, Wis.	Tiernan
Ruppe	Stokes	Ullman
Ruth	Stratton	Van Deerlin
Ryan	Stuckey	Vander Jagt
Sandman	Symington	Vanik
Satterfield	Talcott	Veysey
Saylor	Taylor	Vigorito
Schneebeli	Teague, Calif.	Waggonner
Schwengel	Teague, Tex.	Waldie
Scott	Terry	Wampler
Sebelius	Thompson, N.J.	Ware
Seiberling	Thomson, Wis.	Whalen
Shipley	Thone	White
Shriver	Tiernan	Whitehurst
Sikes	Ullman	Whitten
Skubitz	Van Deerlin	Widnall
Slack	Vander Jagt	Wiggins
Smith, Calif.	Vanik	Williams
Smith, Iowa	Veysey	Wilson, Charles H.
Smith, N.Y.	Vigorito	Winn
Snyder	Waggonner	Wolff
Spence	Waldie	Wright
Springer	Wampler	Wyatt
Staggers	Ware	Wydler
Stanton, J. William	Whalen	Wylie
Stanton, James V.	White	Wyman
Steed	Whitehurst	Yates
Steele	Whitten	Young, Fla.
Steiger, Ariz.	Widnall	Young, Tex.
Steiger, Wis.	Wiggins	Zablocki
Stokes	Williams	Zion
Stratton	Wilson, Charles H.	Zwach
Stuckey	Winn	
Symington	Wolff	
Talcott	Wright	
Taylor	Wyatt	
Teague, Calif.	Wydler	
Teague, Tex.	Wylie	
Terry	Wyman	
Thompson, N.J.	Yates	
Thomson, Wis.	Young, Fla.	
Thone	Young, Tex.	
Tiernan	Zablocki	
Ullman	Zion	
Van Deerlin	Zwach	
Vander Jagt		
Vanik		
Veysey		
Vigorito		
Waggonner		
Waldie		
Wampler		
Ware		
Whalen		
White		
Whitehurst		
Whitten		
Widnall		
Wiggins		
Williams		
Wilson, Charles H.		
Winn		
Wolff		
Wright		
Wyatt		
Wydler		
Wylie		
Wyman		
Yates		
Young, Fla.		
Young, Tex.		
Zablocki		
Zion		
Zwach		

NAYS—8

Clawson, Del	Goldwater	O'Konski
Crane	King	Scherle
Daniel, Va.	Landgrebe	

NOT VOTING—91

Addabbo	Bingham	Chisholm
Anderson, Tenn.	Blackburn	Clausen, Don H.
Badillo	Blanton	Clay
Baker	Bow	Conyers
Barrett	Brooks	Cotter
Belcher	Carey, N.Y.	Curlin
Bell	Celler	Davis, Ga.
	Chamberlain	

Davis, S.C.	Kemp	O'Neill
Delaney	Kluczynski	Peyser
Denholm	Link	Pickle
Diggs	Lloyd	Pryor, Ark.
Dowdy	Long, La.	Pucinski
Dulski	McClory	Robison, N.Y.
Edmondson	McCollister	Rodino
Eshleman	McCormack	Rousselot
Fish	McEwen	St Germain
Ford, Gerald R.	McKay	Sarbanes
Fraser	McKevitt	Scheuer
Frelinghuysen	Macdonald,	Schmitz
Galifianakis	Mass.	Shoup
Gallagher	Madden	Sisk
Green, Pa.	Mailliard	Stephens
Hagan	Metcalfe	Stubblefield
Halpern	Mikva	Sullivan
Hanna	Miller, Calif.	Thompson, Ga.
Hawkins	Mills, Ark.	Udall
Helstoski	Mitchell	Whalley
Holifield	Mizell	Wilson, Bob
Hull	Mollohan	Yatron
Jones, Tenn.	Nichols	
Keith	Nix	

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

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Gerald R. Ford.
Mr. Rodino with Mr. Bow.
Mr. Addabbo with Mr. Whalley.
Mr. Davis of Georgia with Mr. Rousselot.
Mr. Delaney with Mr. Fish.
Mr. Dulski with Mr. Halpern.
Mr. Green of Pennsylvania with Mr. Eschleman.
Mr. Hagan with Mr. Schmitz.
Mr. Helstoski with Mr. Frelinghuysen.
Mr. Hull with Mr. Belcher.
Mr. Jones of Tennessee with Mr. Lloyd.
Mr. Kluczynski with Mr. McClory.
Mrs. Sullivan with Mr. Chamberlain.
Mr. Sisk with Mr. Bob Wilson.
Mr. Yatron with Mr. Kemp.
Mr. Macdonald of Massachusetts with Mr. McEwen.
Mr. Mikva with Mr. Barrett.
Mr. Miller of California with Mr. Bell.
Mr. Nichols with Mr. Shoup.
Mr. Nix with Mr. Gallagher.
Mr. Pickle with Mr. Thompson of Georgia.
Mr. Pucinski with Mr. Bingham.
Mr. Sarbanes with Mrs. Chisholm.
Mr. St Germain with Mr. Peyser.
Mr. Stubblefield with Mr. Mizell.
Mr. Stephens with Mr. Blackburn.
Mr. Madden with Mr. Clay.
Mr. Mollohan with Mr. McKevitt.
Mr. Cotter with Mr. Conyers.
Mr. Blanton with Mr. Curlin.
Mr. Anderson of Tennessee with Mr. Baker.
Mr. Hanna with Mr. Robison of New York.
Mr. Fraser with Mr. Diggs.
Mr. Davis of South Carolina with Mr. McKay
Mr. Link with Mr. Long of Maryland.
Mr. Udall with Mr. Scheuer.
Mr. Denholm with Mr. Mitchell.
Mr. Hawkins with Mr. Badillo.
Mr. Edmondson with Mr. Galifianakis.
Mr. McCormack with Mr. Mills of Arkansas.
Mr. Pryor of Arkansas with Mr. Keith.
Mr. Celler with Mr. Mailliard.
Mr. Carey of New York with Mr. McCollister.
Mr. Metcalfe with Mr. Don H. Clausen.
Mr. Holifield with Mr. Dowdy.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RICHARD CHAPUT: MORE ON THIS REMARKABLE MAN

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

Mr. CLEVELAND. Mr. Speaker, in the CONGRESSIONAL RECORD, volume 117, part 8, page 10152, I made remarks entitled, "Richard Chaput, a Remarkable Man." at that time, I told something of the life which Dick Chaput has made for himself, though he has been paralyzed from the neck down by poliomyelitis for almost 25 years. I commented that I hoped to be with him for the occasion of his 34th birthday.

Well, by good fortune, I was able to be with Dick for his birthday. Just as every other time I have been with Dick Chaput, this was an inspiring occasion, and a reminder of the importance of faith, and the rewards of hard work. For Dick has based his life on the faith of his religion, and has made his life meaningful to himself and others through his hard work.

Mr. Speaker, not only was I able to be with Dick Chaput on that memorable day, but I was pleased to read with him an eloquent telegram from President Nixon.

But not only did the President send this telegram to Dick Chaput, but he also made the opportunity to meet him during a brief visit to Nashua, N.H., later in the summer. This is a great tribute to Dick Chaput, and what he has made of himself; it is also a commentary on our President that he would take time to give personal recognition to this remarkable man who has made such a meaningful life for himself against such a handicap.

Mr. Speaker, in my remarks of April 7, 1971, I commented that Dick Chaput had published one book, "Not To Doubt," and that a second is in manuscript form. It is a pleasure to bring that comment up to date by noting that the second book, "All I Can Give," is about to go to press, published by Alba House Communications.

At this point, I would like to return briefly to a point I made in my remarks last year, on the relativity of problems. Each person has his own problems, and usually thinks them to be serious. But, a visit with Dick Chaput is a reminder that in fact most of our problems are indeed small, and that even our largest ones can be met if faced with faith in God and determination to overcome them. This is a lesson we should all remember in these trying times.

Mr. Speaker, at this point I would like to insert the text of President Nixon's telegram to Richard Chaput in the RECORD.

THE WHITE HOUSE,
Washington, D.C., April 14, 1971.

MR. RICHARD CHAPUT,
Nashua, N.H.

It pleased me to learn from your Congressman and my good friend, Jim Cleveland, of the tremendous courage and inspiring desire to serve which has enabled you to overcome overwhelming obstacles and set a record of civic achievement that all may imitate.

Your finest testimonial on this birthday is surely the heart-warming knowledge that you have brought so much joy and satisfaction to others. May this thought and the esteem and admiration of so many fellow citizens make this day a particularly memorable one for you just as you have made so many days happier for those whom you have generously helped throughout your life.

My warmest congratulations to you and best wishes always.

RICHARD NIXON.

COMPARISON OF MINING IN NORTH VIETNAM AND SOUTH VIETNAM

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

Mr. TALCOTT. Mr. Speaker, it is amazing and shocking to hear and see TV commentators, Members of this House, students, columnists, and editorial writers condemning the mining of Haiphong harbor by the United States who have not once mentioned, let alone criticized, the long and continuous mining in South Vietnam by the North Vietnamese and the Vietcong. Apparently it depends upon whose "ox is being gored" or whose side you are on. The evidence is clear, however. The comparison is dramatic. I feel compelled to invite some attention to a comparison between the mining in South Vietnam and in North Vietnam.

The U.S. mining of Haiphong Harbor was the most humane in the history of warfare. Three days notice; begun May 11, 1972; full warning of the exact locations of the mines; their purpose is only to interdict shipment of war materials bound for the invasion of South Vietnam. There are no victims of our mines except those who knowingly take a calculated risk.

The North Vietnamese and Vietcong mining in South Vietnam is the most vicious. It has been occurring continuously for more than 10 years; it is clandestine and indiscriminate; its purpose is to terrorize as well as to destroy; their mines have been positioned anywhere and everywhere: harbors, open sea, rivers, warehouses, hospitals, lakes, schools, paddies, officers' clubs, canals, bridges, parliaments, pleasure boats, bicycles, airports, roads, utilities. Their targets have been military, civilian, women, children. They give no warning. Enemy mines are being accidentally detonated every day by unsuspecting persons throughout South Vietnam.

I abhore mining by anyone and deplore the situation that required mining to become a tactic of the United States, but I believe any discussion of mining in this war should be complete and objective and not just self-serving.

You would expect the Vietcong, North Vietnamese, and the Communists to report only the mining in Haiphong—but it is shocking to see and hear Americans present so repetitiously such a lopsided picture and to misrepresent the tactic in a way which only damages our objective and aids the enemy. I urge you to look behind the report and make your own comparisons. The mining is only one face of this horrendous war—but an objective comparison can be instructive and perhaps indicative of other tactics and goals of the combatants.

HOW NOT TO BACK AMERICA

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

Mr. SIKES. Mr. Speaker, in Fort Walton Beach, Fla., last week, under the sponsorship of radio station WFTW with the support of other news media, the local townspeople staged a parade of thousands with flags and banners down flag-lined streets attesting to their support of America's objectives in Indochina as outlined by the President. There were no sour notes, no protest placards, and no antiwar demonstrators. These efforts were climaxed by gathering 16,000 signatures in support of the President's program. A delegation from Fort Walton Beach came to Washington on Friday, were taken to the White House by me for delivery of the signatures. They were very cordially received. The visit to the White House and the signatures were characterized as the first concrete results which bear out the widespread support which it is believed is felt for America's air strikes against the North Vietnamese offensive.

I consider this an outstanding demonstration of the patriotic spirit which I am confident prevails throughout the Nation. In today's overorganized world, antiwar protests and demonstrations can be put together with a few well-placed telephone calls to people whose business it is to create disturbance. Regretfully, there have been few similar efforts to bring out the true facts of America's patriotic motivation and the public is confused. The people of Fort Walton Beach in Florida's first and finest district are to be congratulated and praised for what they did.

The extremely limited coverage given to this dramatic enterprise by the Washington newspapers is very disappointing. In substance, they ignored what was probably the Nation's outstanding example of patriotic support of the President's end-the-war program in Vietnam. But they recorded every antiwar demonstration of any kind throughout the Nation.

It is interesting to speculate on what would have been the press coverage in Washington had there been an antiwar demonstration in Fort Walton Beach, or even had a dozen hecklers interfered with the progress of the patriotic march which took place there. Let me say for the local television stations that they showed no such disregard of the Fort Walton Beach program. It is very disappointing when important segments of the national press portray events in America in a manner which pleases Hanoi and discourages the people of America.

PUBLIC'S RESPONSE TO PRESIDENT NIXON'S DECISION TO MINE HAIPHONG

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

Mr. SEIBERLING. Mr. Speaker, we have all read about the reports that the White House was receiving an overwhelming amount of mail and telegrams in support of the President's latest decision with respect to the mining of Haiphong. Well, I do not know how other Members' mail, telephone calls, and telegrams are running, but I thought it might be of interest to note that, as of this morning, unsolicited communications to me from people in the 14th Congressional District of Ohio, are running this way: The total of letters, telegrams and phone calls received in my office and opposed to Nixon's decision are 629; for Nixon's decision 21, a ratio of 31 to 1 against the President's decision.

I thank you and yield back the balance of my time.

MAGISTRATE'S PAY SHOULD NOT EQUAL JUDGES

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

Mr. MAYNE. Mr. Speaker, I wish to call attention of my colleagues in the House to a bill which is coming up Tuesday to increase the salaries of U.S. magistrates. Full-time magistrates now receive $22,500, but the committee bill would raise the ceiling permitting them to receive as much as $36,000. This would be 90 percent of the salary of district judge who receives $40,000, only $4,000 more than the ceiling now proposed for magistrates.

I propose to offer an amendment in which a number of colleagues on the Judiciary Committee will join which would limit this salary ceiling authorization to 75 percent of a U.S. district judge's salary, rather than 90 percent as the committee bill in its present version now provides.

Mr. Speaker, the position of magistrate is a relatively new one created by the Magistrate's Act in October 1968. When we in the Congress were persuaded to create these new positions we were told they were to be assistants to and not rivals to U.S. district judges. It was never the intent of the Congress that magistrates be given the same power, responsibility, authority, or practically the same salary as district judges. Judges, after all, are appointed by the President with the advice and consent of the Senate, whereas magistrates are appointed by the judges themselves as their assistants and subordinates.

Mr. Speaker, I favor a reasonable increase for magistrates and the 75 percent of judge's salary amendment I favor will give them an increase of $7,500 or 33⅓ percent above their present ceiling, which will rise from $22,500 to $30,000. It would rise further automatically whenever judicial salaries were increased. But it is not reasonable and not fair to the Federal judges or taxpayers of this country to raise the ceiling on these recently created magistrates from $22,500 to $36,000, or 60 percent in one fell swoop. I therefore urge my colleagues to support the 75-percent amendment, and to vote against the committee bill if the amendment fails.

CHANGE IN LEGISLATIVE PROGRAM

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

Mr. ARENDS. Mr. Speaker, I have requested this time in order to ask the distinguished majority leader if he will inform us of any program changes that might be made this week.

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

Mr. ARENDS. I yield to the gentleman from Louisiana.

Mr. BOGGS. In response to the distinguished minority whip, Mr. Speaker, I would like to announce that we have changed the legislative program for this week.

On Wednesday we will not call up H.R. 11627, the Motor Vehicle Information and Cost Savings Act, and H.R. 6788, the mining and mineral research centers legislation.

Instead, we have programed for Wednesday H.R. 14734, a bill to authorize appropriations for the Department of State and for the U.S. Information Agency.

Mr. Speaker, we have done this in order to consider the authorization for State and USIA prior to the consideration of the appropriation bill for that agency later in the week.

The SPEAKER. May the Chair inquire of the gentleman if that announcement is made subject to a rule being granted?

Mr. BOGGS. That is correct, Mr. Speaker.

Mr. ARENDS. I thank the gentleman from Louisiana.

ALTERNATIVE FEDERAL DAY CARE STRATEGIES

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 15 minutes.

Mr. QUIE. Mr. Speaker, child care and development is an issue which has received considerable attention during the 92d Congress. As we move forward with legislation there are many fundamental questions which are yet to be resolved. On February 16, 1972, I inserted in the RECORD, page 4152, a study done in my own State of Minnesota by the Day Care Policy Studies Group of the Institute for Interdisciplinary Studies. That paper discussed the challenges to the rapid expansion of Federal-sponsored day care programs and attempted to analyze and focus on the policy issues and the questions involved in choosing the ideal blend of day care delivery systems. The report was discussed from the perspective of both pending legislation and regulations and in terms of the perspective of how programs should be administered on the local level. The intent was to provide a framework with which to allocate the limited resources that are available to avoid the usual problems encountered

when the Federal Government rapidly expands a program.

I am today inserting the final report done by the same group entitled, "Alternative Federal Day Care Strategies for the 1970's: Summary Report." I think the in-depth work done throughout this study by this institute has been outstanding and has added perspective and dimension to matters which must be considered before finalizing any legislative proposal.

The study itself did not address one point which I feel is of utmost importance if there is to be any new child development legislation—that is establishing programs wherever possible in public schools throughout the Nation. It is my belief that school systems have developed an awareness of the importance of preschool programs and have incorporated many of the changes in their own programs that were initiated by existing Government programs for children. Today it is commonplace to find nonprofessional or uncertified personnel working in classrooms with professional teachers. Educators today do not talk in terms of merely providing kindergarten, but a full range of preschool programs. One of the most important considerations which should accompany any expansion of child development programs must be how to utilize available resources and have maximum parental involvement and participation in order to improve the capability of established national institutions, rather than continue to build parallel and competing educational systems.

There are experimental programs in which child care centers have been established within public school buildings and not only have professional educators been able to work in them, but the high school students have participated as well. Programs in which students have been given responsibilities have been very successful and beneficial to both preschoolers and teenagers alike. Using high school and college students nationwide in child care/development programs could add a new and valuable resource to this field which has not yet been tapped.

School systems that are willing to participate in preschool programs should be given every priority as they offer many advantages. They already have facilities, equipment, transportation, and close ties with the educational system can provide the link through which the efforts made in the early years can be continued and expanded. If there has been one criticism of the Headstart program it is that there are limited lasting effects. It is my belief that, if the schools play a greater role in the preschool program, they will be in a better position to sustain any gains made in the preschool years. I recognize that not all school systems are capable or even willing to participate in preschool programs, but as a general rule from the Headstart experiences it is clear that many school districts have the desire and capability necessary to do so.

Some will contend that child development programs should not be vested in the schools as they believe schools are too rigid. But I think anyone who has observed the growth of the public schools within the last 5 years and taken the time to notice the great change that has taken place, must admit that generalizations about the public schools are both inaccurate and unfair.

Mr. Speaker, in making reference to my feelings about the desirability of utilizing public schools in any expansion of the Federal Government's efforts on behalf of preschool children, I do not wish to detract from the study I am inserting here today. The Day Care Policy studies Group in Minneapolis was not given as one of its responsibilities the exploration of the school matter and it is for that reason that the school question was not addressed. The report is as follows:

FINAL REPORT: PART I—ALTERNATIVE FEDERAL DAY CARE STRATEGIES FOR THE 1970's: SUMMARY REPORT

(This report is submitted to the Office of Economic Opportunity in fulfillment of Contract B00–5121 by the Day Care Policy Studies Group, Institute for Interdisciplinary Studies, Minneapolis, Minn.)

(NOTE.—In this summary, all references to the various volumes of the Final Report will be made in abbreviated form; for example, (*Final Report*, II, V. 1, ch. 3, pp. 58–67) abbreviates Final Report, Part II, volume 1, chapter 3, pages 58–67.))

INTRODUCTION

This volume, a summary of the Final Report, has three policy-oriented goals: First, to provide information concerning the role of day care in advancing various federal objectives; second, to show the relevance of this information to major legislative decisions, specifically those proposed in this report and the day-care-related sections of the Social Security Act Amendments of 1971 and the comprehensive child care bills; and third, to provide recommendations concerning the most effective delivery system for providing increased support to day care, should the federal government decide to do so.

This Summary Report is not intended to be a comprehensive review of all findings concerning day care and child development. We present here only those findings, conclusions, and recommendations that bear most directly on the major questions of policy now facing Congress and the President. Many more detailed findings and recommendations are presented in the other parts of the Final Report.

The strong impetus behind the various proposals for increased federal involvement in child care gains much of its force from the conviction that such services can contribute significantly to the solution of such massive social problems as rising welfare costs, the educational impoverishment that the children of the poor experience, and inequities in the treatment of mothers in the existing employment market.

In some proposed legislation, billions of dollars would be spent with the stated goal of helping to solve these problems by injecting the nation with federally supported day care programs. The unfortunate fact is that it has yet to be established that many of these problems can be significantly diminished by proposed programs. In chapter one we address this question generally by analyzing the situation in which the current federal involvement in day care exists. We explore the problems that many expect will be solved by increased federal involvement in day care, and we isolate several major objectives proposed by advocates of that involvement. Our purpose is to show the ways in which day care is considered as a means to various ends, what those ends might be, and how the possibility of achievement of these ends must be considered in the perspective of the basic concerns of society. Our intent is to show that in some cases there might be more effective responses to the problem than day care, and that increased federal support of day care can be effective only if it is considered in a realistic perspective, as a very limited aid and not a panacea.

In the second chapter, we seek to provide information about the existing day care industry. If federal involvement in day care is to achieve its goals, it must be based upon knowledge of the dynamics and characteristics of the existing industry. This knowledge must include an understanding of the existing resources, as well as an understanding of how the existing industry developed and why it is the way it is. Without this essential background, federal plans and programs run the high risk of being based on opinion, desires, and hopes, rather than knowledge, information, and understanding. Wise use of the existing day care industry and its potential for expansion can allow the government to furnish services at the lowest possible cost, and thus amplify the impact of federal funds. Ignoring the existing capacity of the day care industry will entail unnecessary expense.

The purpose of chapter three is to answer the question: "Should the federal government provide more day care services?" The answer to this question is complex. We analyze the question from the perspectives of the various federal objectives and social concerns discussed in chapter one; and we evaluate the potential for achieving these objectives through increased involvement in day care services. Necessarily, our answer goes beyond that simple question of whether or not the federal involvement should increase its support of day care.

Much of the debate on the subject of day care has been concerned with its relationship to child development services. In chapter four our intent is to analyze and clarify this relationship. In view of the possible long-range objectives of federal support of child care, and in an attempt to respond to the basic social concerns underlying those objectives, we also discuss child development as an end in itself, exclusive of any relation to day care. As in chapter three and chapter one, our purpose is to respond to the broader, longer-range questions of the function of federally supported child development programs.

In chapter five, we analyze and make our recommendations concerning the delivery system best suited to increased federal involvement in day care. Our basic purpose is to ensure that day care would be allowed to develop in the manner most suited to the needs of the American public, not only in response to the immediate problems that have stimulated public interest but in readiness to respond to problems that may arise in the future. The predicted needs for day care are expected to evolve rapidly, thus requiring a flexible industry. Further, forecasts of future need could be upset by unpredictable trends; the discussion and recommendations presented in chapter five take this unpredictability into account in considering the best delivery system to meet current needs of the government and the public.

Because this summary document has been especially written for policymakers, we have included a chapter that proposes guidelines and modifications by which the recom-

mendations made in the report can be implemented. Chapter six presents detailed specifications for the delivery system, the method of payment, the key resources program, and for further research and development. We have also included critiques of the relevant portions of the proposed Amendments to the Social Security Act of 1971 and the proposed comprehensive child development legislation along with specific recommendations for modifications that would enhance the possibility of this legislation achieving federal objectives and solving the social problems to which they were intended to be responsive.

In placing the material presented in this report in accurate perspective, two general comments are pertinent. First, as in any treatment of major federal policy issues, we were plagued by the varying quality of pertinent data, and in many cases its absence. We have sought to present the data available on relevant points, provide estimates where necessary and useful, to comment on uncertain data, and to reflect in policy recommendations the degree of uncertainty that lack of current knowledge in specific areas seems to dictate.

Second, while we have sought to be as objective as possible in our treatment of this complex topic and to present reasoning and data on all sides of policy alternatives, it is clearly impossible for any policy analysis of this nature and scale to be entirely value-free. In the interest of increased objectivity, therefore, we are bound to acknowledge that certain beliefs, values, and perhaps biases have influenced our thinking throughout the course of this study. First, we believe that a central concern of social programs should be the welfare of the poor and the disadvantaged. Thus, while we have presented a wide range of potential federal objectives drawn from current debate concerning child care, we believe the welfare of the poor and disadvantaged deserves paramount consideration. Second, we believe in equitable treatment for all like individuals under federal programs; it is our bias that if a certain type of service, such as day care, is to be made available under federal sponsorship in response to the needs of some individuals, it should be made available to all individuals with the same need. Third, given the fact of limited national resources and the pressing needs of the disadvantaged, we believe that only programs of proven value should be implemented on a national scale. Thus, we feel that rigorous assessment of the value of potential services and the effectiveness of proposed methods of service delivery through well-designed pilot program and demonstrations should precede the legislative mandate of delivery. To those who argue that certain services, although of unproven value, may do not harm and might help if delivered to the disadvantaged, we reply that there are alternatives for the expenditure of such funds which will better serve the interests of the disadvantaged. These include (a) increasing the level of federal investment in other services of proven value, (b) increasing financial assistance, and/or (c) making investments in research, demonstrations, and evaluations to develop truly effective services in areas of critical need. A fourth bias relates to our conviction that the "free market" model of service delivery is preferable to the "central planning" delivery model. In addition to the reasons that lead to this general conviction there are particular reasons for favoring a market model method of providing federal support. This method would be responsive to parents' expressed preferences for a range and variety of services, and be consistent with the inevitable central role of parents in the care of their children. The free market concept is also consistent with our belief that poor families in general can and should participate substantially as day care providers in their communities under any expanded federal program.

1.0 STATEMENT OF THE PROBLEM

At present current federal support for day care and child development is estimated at more than $500 million. This report is intended to directly support federal policy makers who are considering a significant extension of this current federal involvement. Such consideration is now under way. The pending H.R. 1 bill proposes to allocate $750 million for child care services per year. Comprehensive child care legislation proposed by Senator Javits would increase the cost to $1.2 billion in the first operational year. A bill introduced by Senators Nelson and Mondale would cost $1.5 billion in the first operational year.

This chapter first identifies the social context in which day care and child development programs must be evaluated. Multiple and at times conflicting social forces relate to the question of whether or not the federal government should more actively participate in day care and child development programs, and if so what the nature, shape, and purpose of this role might be.

In a sense, the board issue in relating day care to social issues is the extent to which day care can significantly impact the primary social forces of concern. The level of national attention day care has received suggests that some feel it can. Others are skeptical.

Second, this chapter identifies a range of federal objectives that seem implied in current debate; we recommend that government consider these objectives explicitly as it determines its role in day care and child development programs. An explicit statement of possible federal objectives is used as a framework for our evaluation of the potential benefits and costs of increased federal expenditures for day care. It is our conviction that, if programs are to be made sufficiently accountable, public expectations must be realistic and the government must carefully select, explicitly state, and tailor programs to a set of objectives.

1.1 Dynamics of social trends

Five major social trends have a significant bearing on the role of the federal government in day care and child development:

1. the increasing costs of Aid to Families with Dependent Children (AFDC);
2. the job market for women;
3. the concern over early child development services;
4. the emphasis on family planning services; and
5. the impact of the movement for women's equality.

The costs of AFDC

A significant number of the American children are poor. Approximately 10.5 million or 14% of American children (under 18) were in poverty conditions in 1970. About half of these poor children, 5.5 million, were aided by current welfare (AFDC) programs. The number of children receiving such aid is rapidly increasing. In 1971, 7.5 million were on AFDC; in 1973, 8.5 million are expected to be receiving aid.

The cost of this support is substantial and is increasing. The cost doubled from 1965 to 1970. In 1970 AFDC cost was $2.1 billion; in 1971 it was estimated at $3 billion and in 1973, $3.7 billion. Under H.R. 1, family benefits would cost $5.8 billion.

The rapid increase in AFDC is disturbing because it continues to escalate regardless of economic conditions. Until the early 1960's the number of AFDC recipients has increased with unemployment and decreased with employment. After 1963, however, the rolls increased greatly in spite of decreasing employment ratios.

Within the AFDC program the largest increases have been payments to families in which the father is absent from the home (75% of all AFDC cases not including the 5% of the cases where the father has died). In 16% of all AFDC cases the father has deserted, and in 28% of all AFDC cases, the father was not married to the mother.

The illegitimacy rate increased only slightly from 1960 to 1968, but this increase occurred exclusively in births to women 15 to 19 years old; for all other age groups the rate dropped during this time period. A substantial percentage of the illegitimate children are supported by AFDC. Forty-four percent of all AFDC families have one or more illegitimate children (1969 AFDC survey). The increase in the number of illegimate children supported by AFDC is partly explained by the facts that most of these young mothers are economically unable to support their children and that increasing numbers of unwed mothers are caring for their children rather than placing them for adoption.

The consequences of the welfare system are numerous:

human resources are wasted;

generational cycles of poverty are created;

state and local governments are threatened by bankruptcy;

many Americans are demanding that the welfare recipient work; and

the American people are faced with increased polarization.

It is in this context that day care services are viewed by the public and policy makers alike as one means to enable more welfare recipients to gain productive employment and thereby reduce welfare costs.

The job market for women

The number of working women (now 30 million) has more than doubled since just before World War II. Increasingly mothers have entered the labor market. In 1969 there were 7,245,000 working mothers with children over six and 4,100,000 working mothers with children under six.

While the growth in the number of women working has been dramatic, the types of jobs held by women has remained relatively stable. Despite increased educational opportunities, decreased importance of physical strength on jobs, increased use of aptitude tests, women still concentrate in a narrow range of jobs. Although there are 250 distinct occupations listed by the Census Bureau, one-fourth of the employed women work in five occupations—secretary-stenographer, household worker, bookkeeper, elementary or secondary school teacher, or waitress (Hedges, 1970, p. 19).

The manpower projects of the Bureau of Labor Statistics for the period 1968–1980 indicate the need for many more women to seek jobs outside "women's occupations" in the 1970's. In trying to determine whether women will disperse their career decisions, one commentator concludes: "The strong attachment of women to the labor force and the pressures for new sources of manpower in certain professional occupations and skilled trades auger well" (Hedges, 1970, p 29).

The cautiously optimistic prospect of an overall increased demand and supply of women in the labor market must be tempered with the recognition of present unemployment rates among low-skilled women. In 1970 the unemployment rate for men was 4.4% and for women 5.9%. This gap is explained in part by the fact that women generally have lower educational levels and seek employment in less-skilled jobs. For example in 1970 white-collar workers (primarily men) had an unemployment rate of 2.8%; whereas service workers (with as many women) had

a rate of 4.5% (Bell, 1972). The projected increase in unskilled jobs is not expected to be significant. From 1968 to 1970 the total projected increase is approximately 20 million jobs. Only 1.4 million of that increase in jobs is to take place in the unskilled and semi-skilled jobs.

While general unemployment rates among women is significant, unemployment among poor female-headed families is even more severe. For example, in 1969 the unemployment rates for black mothers with married husbands absent with children under six was 15.3% and for comparable white families 10.6% (Waldman, 1970, p. 22).

Day care services have been proposed as a means to ensure that the increasing number of children of the working mothers (30 million at present) receive adequate care. Day care services have also been proposed as a means of allowing and encouraging mothers to work, thereby promoting the equality of women and adding significantly to the "man"-power skills of the nation.

The concern over early child development services

Awareness is growing in the United States of the importance of early childhood years in determining an individual's mental, physical, and social status as an adult. The increased prevalance of preschool educational television programs, preschool health care, and preschool educational centers have all arisen because of the hope that providing child development services to young children will significantly reduce their social and economic problems in later years. The public is becoming increasingly impressed with the negative consequences of the multi-faceted deprivation suffered by the low-income child.

The extent to which the disadvantaged child had difficulty in school has been documented by numerous studies, one of which states: "The children of poor families also contribute to a disproportionate share of their number to the delinquent and the socially rejected" (Chelman, 1966, p. 2). A day care type setting has been viewed by some as an ideal means for providing child development services to low-income children. The federal Head Start program was implemented based on this rationale. (See chapter four for further background on child development.)

The emphasis on family planning services

The national concern over the population expansion is reflected in a February 16, 1972, report of the Census Bureau. The report stated that, for the first time in Census Bureau history, most young married women plan to limit their families to fewer than three children.

Furthermore, recent studies suggest that the American people favor governmental support for population control. The Commission on Population Growth and the American Future published a survey that revealed that 57% of the group sampled thought Americans should limit family size, even when they can afford a larger family; 56% thought the government should try to do something to slow population growth; and 87% said the government should make birth control information available to those who want it.

Governmental support for family planning has increased markedly in the past few years. In fiscal year 1971, with the passage of the first explicit family planning legislation (PL 91–572), federal financial support doubled. From 1968 to 1970, 45 states liberalized their laws or policies regarding the delivery of family planning services (Goldman and Kogan, 1971).

The new concern about and financial support for family planning is expected to have a substantial effect on the birth rate for all income groups, especially the poor. A recent study conducted by Planned Parenthood-World Federation pointed out that birth rates among lower-income women declined so sharply between 1965 and 1970 that they bore 1,065,000 fewer children than they would have born at the birth rates for 1960 to 1962 (Rosenthal, 1972).

Low-income and higher-income parents basically share the same views on family size, but actual child-bearing patterns do not coincide with expressed desires. Median income was highest for families with two children ($6,900), lower for families with four children ($6,500, and lowest for families with six or more children ($5,000) (Birch and Gussow, 1970, p. 85).

Presently, only 30% of the low-income women who want and need subsidized family planning services are receiving them (Jaffe, 1971, p. 84). "In those few areas where local agencies have developed energetic, imaginative and dignified programs, the response among welfare clients has been considerable" (Birch and Gussow, 1970, p. 85). Research has demonstrated that family planning is an effective means of reducing and preventing poverty (Family Planning Service Programs, 1970, p. v). Given the success of current limited family planning efforts among the poor, it seems reasonable to expect that the new financial support for family planning, the liberalization of state restrictions, and the public support for voluntary family planning for all Americans, will enable the poor to realize more closely their desire for fewer children.

The impact of the movement for women's equality

An informal and diverse alliance of organizations has formed a national movement to campaign actively for women's equality. The provision of day care services has become a priority issue for the movement as it seeks to open opportunities for women.

The chart below compares the official positions of a small sample of the newly formed women's liberation groups and a few of the established women's groups. This limited sample obviously does not speak for every position on day care of every women's group, but it does point out the commonalities among several large and increasingly influential organizations in regard to day care.

Summary

Social conditions and trends cited can be summarized as follows:

1. The number of children on AFDC and the cost of AFDC is substantial at present, and it is expected to increase. Five and a half million children were receiving AFDC in 1970, at a cost of $2.1 billion. In 1972, AFDC costs are estimated at $3.7 billion. Under H.R. 1, family payments would total $5.8 billion.

2. The growth in AFDC is affected by two factors:

The increase in single adults with children:

Illegitimacy rates among 15 to 19 year old women are rising,

More unwed mothers are keeping their children,

16% of AFDC families are deserted by their fathers, and

The extension of family planning services has had some impact; and

The economic situation:

Among married poor women with children under six who are the heads of their families, the unemployment rate for whites is 10.6% for blacks the rate is 15.3%;

The unemployment rates for low-skilled jobs (5.3%) is higher than for highly skilled jobs (2.8%);

Of the 20.8 million projected increases in jobs from 1970–1980 only 1.4 million of that increase is in unskilled and semi-skilled jobs, many women earn less than men for similar jobs;

Disincentives for low income work with welfare as an alternative.

3. The number and percentage of working mothers is increasing; this reflects a growing acceptance of the important economic role of mothers.

Eligibility	Developmental services	Flexible hours	Community and parental control	Voucher system	Federal administration	Tax deduction
National Organization of Women (18,000 members)—Available to all with flexible fees	(1)	(1)	(1)	(2)	(2)	(1)
National Women's Political Caucus	(2)	(2)	(2)	(2)	(2)	(1)
League of Women Voters (142,000 members)—Priority to low income but economic mix important	(1)	(2)	(1)	(2)	(2)	(2)
National Council of Negro Women (4 million members)—Heavy priority for poor	(3)	(1)	(1)	(2)	(2)	(2)
National Council of Jewish Women (100,000 members)—Priority to poor but liberalize eligibility under S. 2003 for subsidized care	(1)	(2)	(1)	(4)	(5)	(2)

[1] Means an official affirmative position.
[2] Means no position has been adopted.
[3] With medical services.
[4] Federal funds only for nonprofit care.
[5] One agency administration and strong Federal standard.

4. The women's liberation movement provides a motivating force for federal consideration of an increased role in supporting day care and child development programs.

5. The increasing public awareness of the multi-faceted deprivation inflicted upon the disadvantaged child is putting greater attention on the role of early child development services.

The following perspective is obtained by comparing the potential impact of day care on social forces and trends.

The growth of AFDC welfare costs is due to the increase in the number of single mothers with inadequate earnings to support their families. The increase in the number of female-headed households is a basic social force related to increasing AFDC welfare costs. Family size is also directly related to the economic needs of AFDC families. Federal initiatives, other than day care, are more appropriate for consideration in this area with research and program focus on family planning, promotion of family stability, and adoption practices.

Federal programs that have provided AFDC mothers with training, day care, and other services have achieved some limited success in placing mothers in employment. Unfortunately, the earnings of such mothers have often not been adequate to allow them to leave welfare rolls altogether. Thus, we are led to expect that day care, while relevant in theory, can at best serve only a limited role in reducing welfare costs. Specifically, it can be expected that day care will be most effective for those AFDC mothers with highest earning powers and smaller family sizes. At present, most mothers with these characteristics are already working under conditions supported in part by existing programs.

The current social forces leading to a rela-

tive decrease in the availability of low-skilled and unskilled jobs can be expected to exacerbate both the number of families in need and the limited effectiveness of day care and all other support services in reducing welfare costs through the employment of welfare recipients.

The current trends toward smaller families and increased use of family planning offer major potential for significantly reducing the welfare problem.

The women's liberation movement—and the general societal attitude toward women it reflects—has led to a greater acceptance of welfare mothers gaining employment; this has increased the feasibility of federal policies based upon women working and suggests a growing willingness on the part of all mothers to seek employment. The women's liberation movement more broadly and more fundamentally represents a force, embryonic at present, that may develop increasing pressure for societal provision of day care services for all children, independent of the welfare problem.

The concern for better opportunities for the development of disadvantaged children, however, is an immediate and a pressing issue. Thus, the potential relationship between day care and child development services for the disadvantaged is clearly a major policy issue.

1.2 Federal objectives in day care

The following federal objectives in day care and child development warrant consideration because they all have been treated or implied in public and governmental debate. We present them only because they figure so prominently in most discussions concerning day care and child development, and not because we recommend their adoption. (For a more detailed presentation see "An Explication of Some Alternative Federal Strategies for the 70's," an intermediary paper submitted to OEO in May, 1971, by this Policy Studies Group.)

1. *Decrease the immediate or short-term cost of current federally supported welfare programs.* This objective would be accomplished through the provision of day care services to welfare recipients who can work but are not able to do so because of their need to take care of children in the home. Their income would thus replace a part or all of their current welfare payments. The net savings in welfare financial support would, of course, have to consider the federal share of day care services provided. Of interest are both the potential savings under the current welfare program and the welfare forms proposed under H.R. 1 and other welfare reform proposals. Note that an additional benefit to welfare recipients might accrue if they are able to escape the "stigma" of welfare by leaving the welfare rolls.

2. *Increase the net income of existing poor.* The poor population includes both the welfare recipient and the working poor (families with incomes greater than the minimum for welfare payments but still below the poverty line). The net income to this total group could be increased by the federal provision of day care in several ways. First, for two-parent, "working-poor" families, day care could allow the second parent in families with children to work, thereby increasing family income. Second, for working-poor families already using day care, the assumption of all or a portion of the cost of day care by the government would increase the net income of the existing poor. Note that in some cases the federally supported day care may be of higher quality or value than that already used by working poor. Therefore, the substitution may benefit the poor beyond the savings to the family of the previous cost of day care. In general, day care can be viewed as an income transfer "in kind."

3. *Establish a work requirement as a condition of welfare.* It is argued by some that all welfare recipients who are able to do so should either work or make themselves available for work as a condition of receiving welfare benefits. In relation to this objective, day care is seen as a means of freeing at least some welfare parents who are able to work to do so. It has also been argued that if work or the jeopardy of work (requirement for work registration without the assurance that in every case a welfare recipient will be placed in a job) is made a condition of welfare, that this serves as a deterrent to "lazy" families for either registering for welfare or taking personal actions which maintain dependence on welfare.

4. *Improve the equality of children's opportunity by enhancing the development of the disadvantaged child.* It is argued by some that child development services can be provided to disadvantaged children receiving day care services and further that such services will help to equalize the opportunities for development of disadvantaged children by making up for or providing a substitution for developmental factors that many children obtain as a part of family living. It is also argued that a child's maturation in an environment where one or more parents' work is more likely to have the child adopt work as an adult life-style. Many feel that, in addition to providing for equal developmental opportunity for all children, this objective may reduce the costs of welfare in future generations.

5. *Enhance the equality of women.* It is argued by some that the social responsibility for child care often assigned to women detracts from their ability to participate in other activities, such as employment, training and career development, and the use of leisure time, especially as compared with men. Federally supported day care—by increasing either the supply of convenient and otherwise acceptable day care, or by reducing the financial cost to women of day care, or both—would enhance the equality of women in American society.

6. *Provide adequate day care to children of currently working parents.* Many children whose parents are now working are not currently receiving day care in licensed facilities. It is argued that some or all of these children are receiving inadequate care. The role of federally supported day care under this objective would be to replace existing inadequate care with at least adequate care.

7. *Support the development of the most effective and efficient delivery system.* The federal government has the option of promoting two basically different structures for the day care industry. One alternative structure for the day care industry is a competitive, market-oriented structure. This system places central reliance on consumer choice and supports a diversity of day care services furnished by a variety of providers. Since the key to this system is parent choice, the parents must have sufficient purchasing power. Providers would thus "compete" for consumers with parent preferences (that is, market forces) determining the rate and nature of growth of the different day care programs. The free market system does not imply an industry without controls or regulations. Regulations are a part of all competitive U.S. industries.

The second major alternative for the day care industry is a centrally planned, centrally controlled, and centrally operated industry. In this system, decisions about the nature, type, availability and sponsorship of day care in a given region would be determined by a central agency (policy council), which would design, approve, supervise, and operate all day care services in the region.

The essential difference between the two systems is the control of the purchasing power. In the market-oriented system, parents purchase; and in the centrally planned system, the agency purchases.

2.0 EXISTING CHILD CARE SYSTEM

In considering the degree to which increased federal involvement in child care will yield impacts, benefits, and potential costs in relation to federal objectives, it is necessary to examine the existing child care industry and the forces that have shaped its development. Unfortunately, comprehensive up-to-date information concerning the child care industry is not available. The information presented in this section was drawn together from diverse sources and must be interpreted with caution.

A day care industry of significant size currently exists in the United States. The current industry consists primarily of informal arrangements, most of which are free or inexpensive. (Informal does not imply that arrangements are haphazard or unreliable.) The formal child care industry, composed of family day care homes and day care centers serves only 15% of the children of working mothers. A fairly comprehensive picture of center care can be obtained from available data, but very little is known about care provided in family day care homes or in informal arrangements. Day care centers are generally small operations, either privately owned and operated or operated as not-for-profit services.

The average annual costs per child for center care are $400 for basic care and supervision; $700 for care which may include an educational component; and $1,300 for more comprehensive developmental programs (Day Care Survey—1970).

Of the estimated $1.4 billion spent annually for child care, $229 million comes from federal sources (Tables 1, 2). About half of these funds go directly for center care.

2.1 Magnitude and financial sponsorship of existing day care industry

In 1965 approximately 17.3 million children under 18 years of age had working mothers (Low and Spindler, 1968). Of these children, 3.8 million were under six years of age. By 1969, the number of preschool children of working mothers had increased by 2 million, a 53% increase over 1965. (The 1969 figures for the number of children under 14 years of age and for child care arrangements are not available. Thefore, the following summary relies on 1965 data, the latest information available. Notable changes based on later data are included when possible.)

About three-fourths of the day care arrangements are free. Thus, all national expenditures for child care, which amounted to $1.4 billion in 1970, go to purchase only one-fourth of the total care provided. If all day care had been purchased at the same rate as the paid care, the total national cost would have been $5 billion. This total is based on the projected cost of day care for all working mothers; the total day care industry is even larger since it is also used for other purposes.

The day care arrangements and respective expenditures are shown in Table 1. Fifty percent of total expenditures is for care in someone else's home; nearly 40% for care in the child's own home; and a little over 10% for center care.

The extent of federal involvement, 16% of total dollar volume (Table 2) which may be supplemented by state and local matching funds, is a relatively small portion of total day care costs and aids less than 5% of all children cared for. However, the financial impact of federal funds may be greater than its market share. Most day care supported by federal funds is related to two major objectives, child development and employment of disadvantaged or minority groups. Payment mechanisms and delivery systems vary widely, ranging all the way from the community planning mode of Head Start to federal income tax deductions.

TABLE 1.—ESTIMATED ANNUAL PAYMENTS BY WORKING MOTHERS FOR DAY CARE, 1965 (CHILDREN UNDER 14)

Arrangement	Number of children (thousands)	Percent of total number of children receiving care [1]		Total estimated expenditure [2] (thousands)	Percent of total expenditures for care [1]	
		Number	Percent		Number	Percent
Care in own home by	1,156		9			38
Nonrelative who only looked after children	581		5	$160,425		16
Nonrelative who also did housework	575		5	210,975		22
Care in someone else's home by	1,932		16			51
Relative	953		8	156,425		16
Nonrelative	979		8	335,200		35
Other arrangements	328		3			11
Care in group center	265		2	$104,800		11
Other paid arrangements	63		.5	4,900		.05
Total paid arrangements	3,416		28	972,725		[1] 100
Arrangements for which mother did not pay	8,861		72			
Total	12,287		[1] 100			

[1] Totals do not equal 100 percent due to rounding.
[2] The following estimates were used in calculating expenditures: Families paying under $5 per week: estimated annual expenditure $125; families paying $5 to $7 per week: estimated annual expenditure, $350; families paying $10 or more per week: estimated annual expenditure, $600.

Source: Based on data from Low & Spindler, 1968 p. 107

TABLE 2.—ESTIMATED FEDERAL SUPPORT FOR DAY CARE FOR LOW-INCOME WORKING MOTHERS, 1970

Program	Federal expenditure (millions)	Number of Children		
		6 or younger	Older than 6	Total
Social Security:				
Title IV(a):				
AFDC—direct payment	$96	[1] 62,000	[1] 50,000	112,000
Income disregard	50	[1] 146,000	[1] 119,000	265,000
Work incentive (WIN)	[2] 18	57,000	69,000	126,000
Headstart (OEA: Title II-B)	[3] 36	30,000		30,000
Concentrated employment program (CEP) (OEA, title I)	[4] 8	[1] 6,000	[1] 4,000	10,000
Migrant (OEA, title III-B)	[4] $1	1,000	1,000	2,000
Subtotal	209	302,000	243,000	545,000
Estimated Federal subsidy through income-tax deductions	[5] 20			
Total	229			

[1] Estimated on basis of 1969 AFDC survey.
[2] $52,000,000 appropriated, $18,000,000 spent.
[3] Estimated from p. 9, "Child Care" (reflecting only that portion spent for full day care of working mothers).
[4] 1971 estimate.
[5] Tax deductions for 1966 of $131,000,000 for an estimated subsidy of $20,000,000.

Note: There is also Federal support in the amount of 15 percent of $21,000,000 for child welfare services. There are no quantitative data on Federal support of model cities day care.

Source: "Child Care Data and Materials," U.S. Senate Committee on Finance, June 16, 1971, pp. 9 and 22; "Social Security Amendments," 1971, hearings of the Committee on Finance, U.S. Senate, July 27, 29, Aug. 2, 3, 1971.

The major portion of federally supported day care is provided to the poor; in total, approximately 550,000 poor children have some or all of their care financed by the federal government. Federal funds provide support for approximately equal numbers of preschool and school-age children.

It is of interest to determine if federal support indicates a preference in favor of one or another type of arrangement. Data of this type is only available on center care. About half of the federal funds go directly to day care centers. Tax deductions and income disregard undoubtedly provide an additional indirect federal subsidy to day care centers.

For center care, the government supports almost exclusively non-proprietary care when it provides funds directly to center operators. Only .7% of the receipts of proprietary centers come from the federal government, compared to 43.9% of the receipts of non-proprietary centers (Day Care Survey—1970). However, income disregard for AFDC recipients and income tax deductions undoubtedly provide some additional support to proprietary centers. For centers as a whole, 17% of the parents' fees are paid by some combination of parent and public assistance funds. The amount of federal funds proprietary centers receive through parents' fees is not known; however, since proprietary centers are more apt to charge parents fees, some federal funds must be reaching these programs as well as family day care homes through parents' payments.

Center care is heavily subsidized by revenue sources other than parents' fees. Only about one-half of the total costs of center care (99% of costs of proprietary centers; 20% of the total of non-profit centers) is provided through parent fees. The federal government, primarily the Department of HEW, pays directly one-fourth of the total costs of center care; state and local governments pay 11%. The remainder comes from community organizations, individuals, and other sources (Day Care Survey, 1970). For non-proprietary centers, sources of funds vary with the size of the programs. Small centers receive more funds from church sources. Middle-sized centers tend to be funded by Community Action Programs and welfare, while large centers obtain more funds from communtiy organizations (Day Care Survey—1970).

TABLE 3.—ESTIMATED PERCENTAGE DISTRIBUTION OF CENTERS' ANNUAL RECEIPTS FROM VARIOUS REVENUE SOURCES AND OWNERSHIP OF CENTER

Source	Percent of annual receipts reported by—		
	Proprietary	Nonproprietary	Total
Parent fees	98.7	21.5	52.4
Federal Government:			
Department of Labor	0	1.1	.7
OEO (CAP)	0	8.3	5.0
HEW	.1	31.3	18.8
Other Federal	.6	3.2	2.2
State government	.1	5.5	3.3
Local government	0	12.5	7.5
Community organizations	.1	9.2	5.5
Individual contributions	.1	1.1	.7
Other sources	.3	6.3	3.9
Total percent received	100.0	100.0	100.0
Total dollars received (in thousands)	179,824	269,242	449,066

Source: Day care survey, 1970, p. 92.

2.2 Types of day care arrangements and their costs

A variety of arrangements are utilized by working mothers for their children. Arrangements are generally categorized by the settings in which the care is provided and the services which are included.

Types of child care arrangements

In this and supporting reports, child care or supplementary child care refers to the care and supervision which augments care provided by the parent(s) or guardian(s) of the children. The responsibility for supplementary care is delegated by the parents or guardians and is generally provided in their absence. Such care of children is considered supplementary since the parent or guardian maintains the primary responsibility for rearing their children. (This definition excludes the placement of children in foster homes for extended periods of time and the legal adoption of children.) The term child refers to any person under 14 years of age for whom care is needed. Care includes the variety of activities and services provided for the children by the delegated caregiver. The number and kinds of activities included in care may range from the provision of supervision, of food, and of other physical necessities for custodial care to comprehensive supportive services for meeting educational, medical, dental, social and psychological needs of the children. The first is frequently called day care and the second, child development services.

The most frequently settings for day care are the child's own home, someone else's home and center care. These are generally defined as follows:

In own home: Care for the children provided by a single family member within the child's (children's) own home. Caregiver may be a parent, another relative, or a nonrelative who may or may not perform some household tasks while providing care.

Family Day Care Home: Care provided in the caregiver's home, usually for no more than six children, including those of the caregiver.

Day Care Center: Serves groups of seven or more children. Children are often grouped according to their ages. Centers usually accommodate children two and one-half years of age or older. Centers may be housed in private residences, church, schools, or other community buildings, or in specially constructed facilities.

These definitions generally apply to the care discussed in this report. However, different sources of information may differ somewhat in exact numbers of children in family day care homes or centers. Such discrepancies do not, for the most part, affect the general picture of child care presented in this report. In this report, group day care homes, treated as a separate category in some studies, are included either in the family care or the center care category, depending on the number of children cared for.

Description of day care and child development services

As used in public debate over proposed child care legislation, a certain vagueness surrounds the definition of day care and child development services. At the general level, child development services are often thought of in terms of their general objective; i.e., enhancing the development of and/or the developmental opportunities for children. In order to analyze the potential cost and benefit of such services in any setting, it is necessary to establish a reference definition of such services. Analysis of proposals for the provision of comprehensive child development services indicates that child development services can be defined in terms of a number of discrete components which can be examined and evaluated individually and to which costs can be assigned. These services typically include: educational, nutritional, medical, dental, psychological, and parent education. In some instances, transportation for children and training for personnel are also included.

Day care: Offers custodial care, food, shelter, and adult supervision, but no additional services.

Developmental Care (in a day care setting): Offers custodial care plus one or more child development services, but usually not all.

Child development services

Nutritional Services: These services primarily provide food for children. They vary by the number of meals and/or snacks provided and their nutritional content. For preschool children in full day care, one meal and two snacks are considered minimum. One of the goals of these services is to contribute to the child's well being through adequate nutrition.

Educational Services: These services include variety of experiences in all areas of development, especially in language and communication, concept learning, perceptual development, and attention span, as well as specific knowledge in science, reading, social studies, and numerical skills. The objective of these services is to help children to obtain information; to learn skills and facts necessary for formal education; to think of new ways of doing things; to appreciate and enjoy learning and to create a desire to continue learning; to learn how to live with others and enjoy the experiences; and to become self-reliant and confident.

Medical and Dental Services: Medical services range from the maintenance of medical records, first aid, and assistance to parents in locating sources of care to complete physical examinations including vision and hearing tests, immunizations, periodic reexaminations, and referral for treatment or the provision of treatment to correct defects. Dental services may include an annual examination, referral and/or followthrough treatment to insure correction of defects. The primary objective of both medical and dental services is to obtain and to maintain adequate physical health for the child.

Psychological Services: Psychological services may include: identification and diagnosis of psychological problems; identifying how psychological problems relate to the attitudes, behavior, and situation of the family; working to change the behavior of children in ways supportive to improved psychological development; and referral to, or provision of, psychotherapeutic services. The objective of psychological services is to facilitate the participation of children in daily activities and in family life.

Social Services: Social services involve a range of possible activities aimed at helping the child (and his family) to participate actively in the child care program and in family and community life. Social services may involve the recruitment and enrollment of children in the day care program; working with parents, providing transportation to day care settings and to other services, such as physical examinations, and other liaison activities between the caregivers, parents, and the community.

Parent Education: This service can include providing to parents: information on the child and his behavior; information and referral to community services and resources of potential benefit to child and/or family; information on the services offered by the day care center; and providing advice and education on child rearing, nutrition, health and family life, and counseling.

Transportation: Transportation may be provided for bringing children to the care location and/or for excursions as a part of the learning experiences. In either instance, the provision of transportation enables children to participate in the program.

All of the services can go beyond the standard for "adequate care." For example, educational experiences may help children work toward their potential by supplementing educational services received at home and in school; nutritional services can provide better quality, greater variety, or more pleasing meals, as well as contributing to the child's total nutritional needs; dental services and medical services, through diagnosis and referral, can aim at having each child attain higher health standards.

In addition to the above services provided directly to the child and his family, the training of child care personnel is sometimes included in a listing of child development services. Training activities include the provision of reading materials, demonstrations, discussions, staff meetings, orientation, formal classes and complete training programs. Although the ultimate objective of training is the improvement of the quality of care children receive, it is sometimes used as a means for utilizing community residents, especially in programs such as Head Start.

Child care costs

The cost of purchasing child care in general and custodial day care in particular is a critical policy variable in considering increased federal support to day care services. Pertinent data include the minimum cost levels at which custodial day care can be purchased for each of the various types of day care arrangements (including informal arrangements, family or group care, and center care). Coupled with a knowledge of parent preferences and willingness to use these various types of care at various cost levels, part of the necessary foundation is laid for the development of realistic program cost estimates, pricing policies, and selection of appropriate payment mechanisms. Unfortunately, in spite of major national surveys in this area, major gaps in knowledge remain.

Cost estimates

There is considerable debate over the respective costs of custodial child care in comparison with developmental child care. To gain perspective on this debate, it is instructive to take into consideration not only estimates of costs but also empirical data derived from actual operating experience. (Note 4 presents a detailed analysis of cost estimates and survey data related to custodial day care and developmental care by service components.)

Existing child care costs

The most recent and complete survey of actual day care cost is provided by the Day Care Survey—1970. As would be expected, the cost of existing child care arrangements and the services provided vary widely throughout the industry. The most expensive, most comprehensive services tend to cluster in nonprofit centers, which, as mentioned earlier, are heavily supported by federal funds. Higher costs and comprehensiveness of services are not characteristics of the center mode of care but rather of nonprofit centers. Many proprietary centers offer care at about one-third the cost of nonprofit centers. Statistically, for whatever it means, the difference in cost between proprietary centers and nonprofit centers is roughly equivalent to the amount of federal and state or local subsidy provided to the nonprofit segment of the center industry.

Free care

As indicated previously, approximately three-fourths of the arrangements used by working mothers are free—at least, money is not exchanged for the services—(Low and Psychological services can include the detection of a variety of behavior problems. Social services can enable both the children and their families to participate in beneficial child care arrangements.

Spindler, 1968. These free or inexpensive arrangements usually consist of care by the father or other relative in the child's home; by the mother while working; or the child is in school or the child cares for himself. The actual services delivered in these arrangements are not known.

Family home care costs

There is little national information about the services and costs in family day care homes. Most family day care homes provide lunch for the children, about two-thirds provide breakfast, and about a quarter of the homes provide dinner. Snacks are provided in about two-thirds to three-fourths of the homes (Day Care Survey—1970). Although some educational activities may take place, other child development services are not formally included in family day care unless the caregivers are a part of a larger day care system. Most family day care is provided in single family dwellings.

Nationally, 50% of family day care homes have weekly fees of between $7 and $12.99—$364 to $776 per year (Day Care Survey—1970, p. 23). Fees are generally reduced for the second or third child from the same family.

Center care costs

Costs of center care vary with the services provided and with ownership (proprietary or nonproprietary). Proprietary centers nearly always have lower annual per child costs than nonprofit programs, $412 compared to $1,250 for preschool children, but usually provide services. Approximately one-fourth of the day care centers provide care at a cost of $400 per year, and about an equal number provide care at a cost of $1,250 per year. The remaining 50% at about $800 per year (Day Care Survey—1970). The factors contributing to these differences in costs have not been explained by the literature. The more expensive child care programs generally report more services provided, higher teacher salaries, and higher staff-to-child ratios. More expensive centers are also newer, are more often operated by community agencies, have more equipment, including

more child-scale equipment and facilities, more extensive health and education programs, serve disadvantaged families, and have more parent involvement than the lowest cost programs. Differences in efficiency have not been studied. Regional variations influence the costs of care. Child care services tend to cost less in the southern part of the nation.

Two factors influencing the total costs of care for which data are available are personnel and start-up costs. Personnel costs range from 45–80% of total center budgets. Proprietary centers usually spend less for personnel than non-proprietary centers. Approximately 127,000 paid staff members are employed in day care centers at a median monthly salary of $358 (Day Care Survey—1970). Salaries range from less than $300 per month in the lowest-cost centers to $380 per month in the highest-cost programs. Staff characteristics vary with the services and costs of care. Few staff members in the $400 programs have had education beyond high school and most are not certified teachers. About half of the staff members in the most expensive centers have some college education and are more apt to be certified.

The latest national survey of day care center costs was summarized as follows:

Good custodial centers approximate good home care. Centers providing custodial care were defined as those that offer ". . . that kind of care which is necessary for maintaining the physical well-being and safety of the child but without any systematic attempt to educate him. Good custodial care approximates good home care. They have small child to staff ratios, variety and sufficient quantity of equipment and playthings, adequate space, safe environments, warm and child loving adults, nutritious food and happy children." (Day Care Survey—1970, p. x.)

"On the average, a center receives $400 yearly per full-day child for essentially custodial care, $700 for a basic package of services that typically includes an educational component, and $1,300 for reasonably comprehensive development programs." (Day Care Survey—1970, p. 2F)

No attempt was made to evaluate day care centers. Good and bad Type A (custodial) centers can be found (Day Care Survey—1970, p. x).

John Wilson in the introduction to the Day Care Survey—1970, states, "While information on parent outlays and center incomes is not complete and inferences must therefore be drawn with caution, it is reasonable to assume that actual costs in 1970 dollars to deliver comprehensive day care services are somewhat lower than usually estimated."

Cost estimate

The Office of Child Development prepared the following estimates:

	Preschool custodial per year	Preschool developmental care per year
Family home care	$752	$1,423
Center care	813	1,245

These estimates are reduced from earlier estimates in 1967 which estimated the cost of custodial preschool care in centers to be $1,245 and developmental care in centers to be $2,320 per child per year.

The earlier higher cost estimates may reflect a tendency not to *underestimate* the level of adequate care (for fear of harming children coupled with a desire to provide as much child development services as possible), and the subsequent revision of estimates may reflect increased confidence based on a fuller knowledge of actual existing programs. The general price level at which adequate care can be purchased for each type of arrangement is still not clearly established. Given the critical policy implications of this question, further research on this issue is recommended for priority attention.

2.3 Parent preferences, patterns of usage, consumer satisfaction, and other factors affecting demand

Current Patterns of Use

As shown in Table 4, a variety of child care arrangements are utilized by working mothers in the United States. Most frequently arrangements for children under 14 years of age are within the child's own neighborhood, either in his own home (46%) or the home of someone else (16%) (Day Care Survey–1970; Low and Spindler, 1968, p. 70). Other arrangements in order of their use by working mothers: the mother cares for the child while working (13%); child cares for himself (8%); and the group care (less than 5%).

Nearly one million children care for themselves. Although 21,000 of these children were under six, the remainder were divided equally into children six to 11 and children 12 to 13. Also, the majority of these children (59%) were left alone for less than 10 hours per week (two hours per day). Almost all of the rest (34%) were left alone for 10 to 19 hours per week. Thirty-seven thousand children were left alone for 40 hours or more per week but 33,000 of these children were 9–13 years of age. None was under six years of age (Low and Spindler, 1968).

No day care arrangements are needed for approximately 15% of the children of working mothers since their mothers work only while the children are in school.

The amount of time children spend in day care varies. Forty hours or more of care a week are provided for about one-fourth of the children, while an equal number are cared for less than 10 hours per week (Low and Spindler, 1968, p. 100). Care is provided in multiple arrangements for approximately 11% of all of the children of working mothers, not including school time (Low and Spindler, 1968, p. 73).

Relatives are the primary care givers while mothers work. Fathers care for 15% of the children and other relatives care for an additional 29%.

This same general pattern of care is evident for all sub-groups of working mothers, although the specific proportions within each category vary somewhat with family income, ages, and numbers of children and whether the mother is employed full- or part-time. Regardless of family income, the arrangement most frequently used is in the child's own home. However, in low income families, somewhat less care takes place in the child's home and caretakers are more apt to be relatives, while in higher income families a greater proportion of in-home caretakers are non-relatives.

There are other differences between the higher and lower income families (Table 4). The differences are in the number of children who care for themselves, in the number of mothers who care for their own children while working, or work while their children are in school, and in the number of children cared for by relatives. One of the most prominent differences is in the number of children, especially of pre-school age, who care for themselves. In families with incomes under $3,000, 1½% of the children under six care for themselves. In 1965, this totaled 10,000 children. Although the percentage of the total is less than half that for the lowest income families, there were 9,000 preschool children from families in the $3,000 to $5,999 range left to care for themselves. As income increases, fewer preschool children are left alone. The same trend is evident for school-aged children. Fifteen percent of the children between six and 13 are left to care for themselves in the lowest income families while only 10% care for themselves in the highest income families. In 1965, this included 186,000 children from the lowest income level families and 304,000 from families in the $3,000 to $5,999 income range.

The other arrangements which appear to be most affected by family income are the proportion of mothers who care for their children while working and those who work only while their children are in school. More of the low income mothers care for their children while they are working; 21% of the children from families with incomes under $3,000 are cared for in this way, while only 13% of children from families with incomes over $10,000 are cared for by their mothers while their mothers are working. The trend for mothers who work only while their children are in school is the opposite. Fewer mothers at the lowest income level work only while their children are in school (one out of seven) while one out of every four mothers from the over $10,000 level works only during the children's school hours.

TABLE 4.—CURRENT CHILD CARE ARRANGEMENTS BY FAMILY INCOME AND AGE OF CHILD

[In percent]

	Total		Less than $3,000		$3,000 to $5,999		$6,000 to $9,999		Over $10,000	
	Younger than 6	6 to 13	Younger than 6	6 to 13	Younger than 6	6 to 13	Younger than 6	6 to 13	Younger than 6	6 to 13
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Care in own home	46.8	44.3	44.0	38.2	38.1	44.2	54.8	47.0	50.6	44.0
Father	14.7	15.3	6.3	8.0	13.4	16.2	20.3	18.8	13.3	12.4
Other relative	16.9	22.0	29.4	26.5	14.6	22.8	15.5	20.9	12.0	19.3
Under 16 years	2.1	5.7	7.6	4.8	1.2	7.1	1.3	6.0	.4	3.5
16 years and over	14.8	16.3	21.7	21.7	13.4	15.8	14.2	14.9	11.7	15.9
Nonrelative	15.2	7.1	8.3	3.7	10.1	5.3	19.0	7.3	25.3	12.3
Nonrelative who looked after children	8.7	3.3	6.5	2.7	6.1	3.3	11.8	3.2	9.9	4.1
Nonrelative who usually did additional household chores	6.5	3.7	1.8	1.1	4.1	2.0	7.3	4.1	15.4	8.1

TABLE 4.—CURRENT CHILD CARE ARRANGEMENTS BY FAMILY INCOME AND AGE OF CHILD—Continued

[In percent]

	Total		Less than $3,000		$3,000 to $5,999		$6,000 to $9,999		Over $10,000	
	Younger than 6	6 to 13	Younger than 6	6 to 13	Younger than 6	6 to 13	Younger than 6	6 to 13	Younger than 6	6 to 13
Care in someone else's home	31.1	9.3	29.7	9.5	36.3	11.0	28.5	8.9	26.7	7.2
Relative	14.9	4.7	15.2	5.9	17.8	5.7	14.5	4.3	8.9	3.1
Nonrelative	16.2	4.6	15.5	3.6	18.5	5.2	14.0	4.6	17.8	4.1
Other arrangements:										
Care in group care center	5.4	.5	3.4	.6	6.8	.2	4.1	.6	7.7	.8
Child looked after self	.6	11.5	1.6	14.9	.7	11.7	.2	10.9	----	9.9
Mother	15.8	33.7	21.2	36.4	17.9	32.6	11.8	31.9	15.0	37.0
Mother looked after child while working	15.0	21.1	20.8	20.6	17.7	13.0	10.6	8.3	12.9	11.3
Mother worked only during child's school hours	.8	21.6	.4	15.8	.2	19.6	1.1	23.6	2.2	25.7
Other	.3	.7	----	.4	.2	.3	.7	.8	----	1.2

Source: Low & Spindler, 1968, pp. 92–93.

There are also some differences by income among those who care for the children. The proportion of children cared for in their own homes increases with family income from 44% for the lowest income families to 51% for those with incomes over $10,000. Children in lower-income families are more apt to be cared for by relatives than are children from higher income families. Nearly 8% of the children being cared for by relatives are relatives under 16 years old. There is an increase with income in the number of caretakers who also do housework from less than 2% among those in low income levels to 15% among those at the highest income levels.

As is evident from the general patterns of care, formal arrangements in either family day care homes (about 10%) or group care (around 5%) accommodate very few children of the nation's working mothers (Day Care Survey—1970; Low and Spindler, 1968, p. 70). In 1970 this totaled approximately 1.3 million children (Day Care Survey—1970).

There are some clear differences between families using formal and informal child care arrangements. Users of day care centers have fewer children, are more apt to be single parent families, and have an annual family income slightly below the national average.

Consumer satisfaction

Initially, choices of child care arrangements are strongly influenced by the cost and the convenience of the care to the familly. Continued satisfaction with arrangements appears to be related to qualities of the caretaker.

Distance from home is a second factor affecting the use of child care services. Although no national data are available, one mile or less seems to be the distance that about 70% of the consumers are willing to travel to deliver their children to child care settings (Emlen, 1971; Day Care: Planning to Meet Community Needs, 1970).

Most working mothers report being satisfied with their arrangements. (Day Care Survey—1970; Low and Spindler, 1968, 110). Changes desired by center users are for improved center care. Leaving children with relatives under 16 years old, in the home of a non-relative or to look after themselves are viewed as the least satisfactory arrangements.

Satisfaction with formal arrangements outside the child's home has been found to be somewhat more child centered than the initial reason for selection of care. In family day care, the caregiver's concern for the child was found to be the strongest factor in the mother's satisfaction with the arrangement (Emlen, 1971). In another small study, personal attributes of the caregiver and quality of care were the criteria cited nearly as frequently as convenience as reasons why they chose their child care arrangement (Who Cares for the Children?, 1970).

Parents' preferences and other factors affecting demand

In addition to estimates of the total demand for child care, information about demand for specific types of care must be considered in planning for services. Indications of potential demand for services are waiting lists for some programs, expressed preferences for types of care, the number of mothers currently working who would change arrangements if their preferred alternatives were available, trends in the employment of women and patterns of utilization.

Approximately 164,000 children are on waiting lists for day care centers. Eighty percent of these are on the waiting lists for nonproprietary centers. A part of this demand, however, is apparently due to the uneven distribution of centers since there are estimated 63,000 vacancies (evenly divided between proprietary and non-proprietary programs) in other day care centers (Day Care Survey-1970).

Expressed preference for child care arrangements vary some from the actual patterns of usage. While care in their own home is the expressed preference of the majority of working or potentially employed women at all income levels, center care is the next most desirable. About one-third of the working mothers, including those using other types of care, express preference for center care and about an equal number of non-working mothers say that if they went to work they would prefer to have their children cared for in centers (Day Care Survey-1970).

The clear first preference of parents is for good care, food, and safety of the child. The specific services parents consider desirable are qualified staff and child development related educational and medical services. Closeness to home and low cost are particular concerns for low-income families.

The amount parents are willing to pay for desired care, however, is around $10 per week for preschool children and less for school-age children. More than half of the mothers of school-age children said they would not be willing to pay anything for their care (Day Care Survey-1970). This reflects actual behavior in terms of the age of children left to care for themselves.

Interpretation of parent preference data is difficult since parents may tend to express preference for the more socially acceptable services. Also, many respondents to preference surveys indicate a lack of information about the range of possible child care arrangements (Who Cares for the Children?, 1970; Zamoff, 1971).

Besides preferences for types of care, there are some general trends which could increase the demand for services of all types. Trends and changes that could effect demand include the growth, nature, and size of families; changes in public attitudes toward the employment of women and toward different patterns of child care; changes in the value the public places on preschool education; and changes in the labor market.

Participation of women in the labor force is affected by (a) the number and ages of the children in the family; (b) the educational level of the mother; (c) stability of the marriage; and (d) presence in the household of adult female relatives. Trends in these factors show a decreasing number of children per family, increasing levels of mothers' education, increasing numbers of disrupted marriages, and decreasing numbers of female adults living in the households. The implications of these trends are that not only will there be greater numbers of women in the labor force in the future, but that the rate of women joining the labor force will increase. Therefore, the need for child care can be expected to increase over the next decade. The decrease in family size and the resulting decrease in the number of births and the number of preschool children over the next decade could increase the demand for day care, since women with smaller families have higher rates of participation in the labor force. Also, women with higher levels of education are those who are having small families, which tends to increase the demand for day care even more (see Final Report, VIII).

During the last decade the labor force participation rates of mothers of preschool children have increased more rapidly than the rates of mothers of older children (60% compared with 20%). Both the total number of working women and their rate of participation are expected to increase during the 1970's (Travis, 1970).

There are also corresponding changes in the attitudes of the public, especially among younger people, toward greater acceptance and support both of women working and the care of children outside the family setting. If these younger people carry their attitudes with them through the decade, this could also lead to an increased demand for day care (see Final Report, VI).

A trend that could directly affect the components provided in child care programs is the increased enrollment of preschool children from high-income families in nursery schools. While mothers from higher-income families are less apt to work and do not utilize day care, they evidently feel some preschool experience outside of their homes is desirable. The trend may have two different implications for the provision of day care. First, this trend may filter downward to lower-income, middle-class families, who may also desire such preschool experience for their children but who cannot presently afford them. Second, as low-income families move to higher economic status, they may also come to value preschool experiences for their children. The Head Start Program may accelerate the acceptance and value of these programs among low-income families.

2.4 Organization of the industry

The services supplied by the day care industry are divided into two major components: the 85% which are informal and provided mostly free or inexpensively either in the child's own home or outside by relatives and the 15% that are provided in centers and family day care homes. Little is systematically known about the informal portion and relatively little is known about family day care homes.

With few exceptions, formal day care operations are small and local. Nearly all family day care homes and the majority of day care centers (60%) are small owner-operator type businesses, although some of these owners do not consider themselves "in business" in the traditional sense.

Centers

There are an estimated 17,500 centers in the United States with an average of 33 children each (Day Care Survey–1970). Centers range in size from seven to over 100 children, but the majority had full day enrollments between 13 and 44 children. Only a little over 400 day care centers in the United States are estimated to have more than 100 children enrolled (Day Care Survey–1970). Most centers serve 3 to 5 year old children.

Although only 40% of the total numbers of centers are non-proprietary, about half of the children attend such centers. Non-proprietary centers are sponsored by a variety of different community organizations. Non-profit centers sponsored by churches account for 18 of the 40%, making this the largest single form of sponsorship. The oldest day care programs are those operated by United Fund agencies. It is estimated that public school day care centers provide care for a little over 100,000 children, about 8% of the total (Day Care Survey–1970).

Proprietary day care centers are more apt to provide custodial care, while more of the comprehensive child development services are found in the non-profit centers.

The facilities for proprietary centers are usually owned by the proprietor. Non-proprietary centers usually rent facilities.

There have been some recent attempts to establish chain or franchise day care centers (Breathitt, 1969; Elliott, 1971, a, b, c, d). Some of these new programs are backed by established firms in other fields such as Gerber Products, General Electric, Performance Systems and the Singer Company. However, the total number of chains or franchise companies in the nation probably is less than 50 and some have not yet opened any centers. Less than 10 of these firms had more than 10 centers in operation in 1971. Only four firms had 20 or more centers underway. The largest number of centers franchised by a single firm are those co-owned by CenCor, Inc., which reports 65 centers (Les Petites Academies). At least three companies have discontinued child care services.

The individual centers of most of the chain or franchise operations are planned to accommodate 100–200 children. The largest centers projected are those of Educare, which would serve about 2,000 with over 230 children in each center (Educare, 1970).

A few centers have been sponsored by industries as a benefit for their employees. The most prevalent are those of hospitals. There are about 100 hospital operated or sponsored programs in the country (Child Care Services Provided by Hospitals, 1970). Other industry related programs are KLH, Ohio and Illinois Bell Telephone, Control Data Corporation, and Amalgamated Clothing Workers of America, union sponsored centers. Several of these centers now admit children of non-employees in order to reach capacity (Hawkins, et al, n.d.).

Except for the few centers which are parts of a community or school system or a commercial chain, individual day care centers are usually operated independently with few contacts with each other. In a few cities, owners have organized private child care associations. There may be some cooperative referrals with different centers, especially among the non-profit programs, but there is little direct communication. Some of the Community Coordination Child Care (4–C) efforts are attempting to organize joint purchasing, training, referral, and professional resource personnel, especially in the fields of health and education.

Even at the federal level, where there are numerous agencies and departments involved in day care services, there is little communication or coordination. Despite interagency requirements, administration is fragmented and inconsistent. Centers at the local level, especially non-profit centers, with more than one source of funds, must prepare different applications and reports for each of the federal agencies involved (*Final Report*, III; Study of Child Care Objectives, 1972).

Family day care homes

The average number of children cared for in each of the 450,000 family day care homes in the United States is less than two although they range from one to seven children (Day Care Survey-1970). Family day care homes are more apt to have children under two years old. Family day care takes place in the home of the caregiver. The caregivers have limited formal contact with each other, although some operators may be acquainted on an informal basis. A few organized systems of family day care exist in some of the larger cities, such as Houston and New York. The New York City program, which is the largest, involves nearly 1,000 teacher-mothers, with a maximum of six children each (Roupp, 1971).

Growth

The growth rate of day care services is difficult to estimate since data are not available on informal arrangements, the largest source of care or for family day care homes most of which are unlicensed. The number of day care slots available in day care centers and licensed homes was estimated as 475,000 in 1967; 640,000 in 1969; and 745,000 in 1970. (Day Care Facts, 1970; Day Care Survey-1970; Low and Spindler, 1968).

Reports of the length of time day care centers and family homes have been in operation also indicate recent rapid growth. Two-thirds of the centers and homes have been in operation less than three days. Most of the remaining third have been operating over five years (Day Care Survey-1970, p. 42).

Little is known about the life span of day care operations. The half-life of day care centers is reported to be three years in Chicago (McClellan, 1971). There is also some indication that some child care programs are discouraged or restrained from entering the market by licensing regulations and agencies (State and Local Licensing Requirements, 1971).

2.5 Regulation of the industry

The 85% of the industry that is informal is not regulated by any formal mechanism. However, most parents exercise considerable quality control over the care arrangements they make for their children in the normal course of their relationships with the persons providing care.

The formal day care industry, centers and family day care homes, in addition to the parent quality checks, is regulated primarily by state and local licensing codes. All but two states, Idaho and Mississippi, have mandatory licensing of centers, but only 37 states require family day care homes to be licensed. About half of these states exclude the family day care home from licensing if the caregiver is a relative, and some exempt from licensing homes that serve only children from one family.

In addition to the state and local requirements, centers receiving any federal funds are supposed to meet Federal Interagency Day Care Requirements, which generally are more stringent than state laws and generally require: provision of a full range of services including social, educational, and health; parent participation; and opportunity for employment of poor people. These requirements are currently being revised.

The licensing authority in most states is the department of welfare. Centers are usually licensed by the state agency while family day care homes are approved by county departments. No two states, cities or counties, however, follow the same specific procedures or interpret regulations in the same way (State and Local Day Care Licensing Requirements, 1971). There is currently an effort underway, sponsored jointly by the Office of Economic Opportunity and the Office of Child Development, to develop a model state licensing code. Thirty-seven states are either revising or planning to revise their regulations.

At present, the licensing process is lengthy, involving approval by several different agencies at the local level. An estimated 90% of centers are licensed but only 2% of the family day care homes are. Even when homes and centers are licensed, they do not necessarily meet all the requirements.

In order to be licensed, applicants must successfully complete 15–20 major tasks. Each center and home must meet requirements established by the department of welfare, fire safety, zoning, health and building codes. The requirements of these latter codes are the most frequently cited sources of delay in the licensing process. Information from local officials and licensing agency records shows that average number of days that licensing is delayed in the process of meeting the requirements of each of these codes: fire inspection, 38 days; sanitation inspection, 23 days; health inspection, 35 days; zoning, 40 days; and general processing, technical reviews, caseworker reports, etc., 40 days (State and Local Day Care Licensing Requirements, 1971, p. 29).

Over half of the applicants who do not complete the licensing process give as their reasons the licensing requirements. Most are unable to meet the requirements for the physical structure and fire safety apparatus. Forty-two percent cite business reasons, primarily insufficient funds or the decision to obtain other employment. In the majority of states licenses for the operation of day care centers and homes are valid only one year; then the operator must essentially repeat the process.

2.6 Barriers to entry into the current day care industry.

There are at least three major barriers to entry into the current day care industry. These apply mainly to center care.

Start up costs

Available evidence indicates that establishment of day care centers requires significant start up costs when "new firms" enter the day care market place.

Construction costs range from $1,000 to $1,200 per child. Renovation costs may be less, about $500–$1,000 per child (see *Final Report*, IV, vol. 1). However, there may be differences unrelated to basic start-up costs in the building of new facilities. These may include the quality of the completed structure, maintenance costs, ease in meeting licensing requirements, and usable space. In addition to facility costs, approximately $100 per child is needed for equipment.

Day care centers are not "quick profit" investments. Franchises sell for $20,000–$35,000. One franchise advertises the land acquisition, building and equipment of a school for 150 children, training of two master Montessori teachers, community education program, national public relations and advertising and consultation during the program's formative period for $35,000, plus an annual management fee of $7,500 or 5% or gross income, whichever is greater (L'Academie Montessori, Inc., 1970).

Another new proprietary company anticipates losses of $50,000–$90,000 during each of the first three years of operation of each center; after this period, 15% profit is expected (Mason, 1971). This estimate requires enrollment of 150 children at a charge of $1,650 per child per year for a full-day program to break even at $225,000. Fees for the children in these centers must be paid in advance or a 10% carrying charge is added.

A third private corporation which has pur-

chased land for its first day care center states in its offering circular that "no assurance can be given that such centers, if and when they are built, can be operated on a profitable basis by the company" (Synergetic Systems, 1971, p. 8).

Licensing

Licensing requirements for formal care, (family or center care) are often difficult, time consuming and costly to meet. While such requirements screen out some truly unqualified providers, in their present form they may also prevent some qualified providers from entering the market.

Technical knowledge and know-how

Some organizations desiring to enter the day care field, especially those representing minority or disadvantaged populations, lack the experience and know-how necessary to raise the initial start up costs, meet licensing requirements and organize the initial programs.

Organizations have reported difficulty in recruiting center directors and managers (though not general staff).

2.7 Status of the industry

The current day care industry in the United States is a vast private industry serving over 25.8 million children under 18 (5.8 million under six) and 11.8 million working mothers in 1969.

The largest portion of this care (85%) is privately provided by family members and relatives. Even within the 15% of the formal arrangements, 12% are provided by proprietary providers. Within the remaining 3% of the non-proprietary providers, the churches constitute the largest single source of sponsorship.

To replace the existing day care industry, even assuming that the relatively low costs that now prevail were to remain unchanged and that demand for care was limited to working mothers only, would require an initial capital investment of $19 billion, an annual payroll of $8.8 billion, and estimated annual costs of $14.5 billion. This would provide day care (not child development) services to the children of working mothers only. Other child development programs such as Head Start, which serve mainly non-working mothers, would add to these costs.

Estimated replacement costs of the private day care industry (for children under 14 of working mothers only)

Capital investment—facilities:	*Million*
Private informal care (at $1000/child construction)	$16,500
Family day care (at $1000/ child construction)	825
Center care (17,546 centers at $50,000)	877
Subtotal	18,192
Equipment:	
Private informal care (at $40/child)	660
Family day care (at $40/child)	33
Center care	44
Subtotal	837
Payroll:	
Private informal care (at $350/month and 1/10 staff ratio)	6,930
Family day care (at $350/month and 1/10 staff ratio)	347
Center care (at $350/month)	423
Subtotal	8,690
Estimated Total Annual Cost	14,483

2.8 Summary

Of all the existing arrangements made by working mothers, the most widespread is care in their own homes (46%). Most of the children cared for in their own homes are looked after by relatives; children from families whose incomes are less than $3,000 per year are cared for by relatives to a substantially greater extent than are children in general. The formal child care industry (centers and family day care homes) serves about 1.3 million children, less than 15% of all children of working mothers; more than half of these formal arrangements are in family day care homes. More than half of the children of working mothers come from families whose annual incomes are less than $6,000; 80% come from families whose incomes are less than $10,000.

Half of the centers and most of the family day care homes are proprietary businesses. Proprietary centers tend to be smaller than non-proprietary centers, and tend to offer custodial care. Non-proprietary centers are more apt to offer child development services.

Most working mothers report being satisfied with their current child care arrangements. Most current arrangements are either free or very inexpensive (less than $2 a week) and are located less than a mile from the mothers' homes. Surveys indicate that, initially at least, the factors of cost and convenience to the family are the strongest influences on mothers' choices of arrangements; continued satisfaction, however, is more strongly influenced by their opinion of the quality of the caregiver. Expressed preferences for arrangements do not coincide with patterns of use: The majority of mothers seem to prefer in-home care, and make extensive use of such care; but the next largest expressed preference is for center care, which is the least-used arrangement. Current public attitudes imply a growing acceptance, perhaps even a preference, among parents for preschool child care as a necessity because of employment and as an aid to children's educations.

The annual expenditures for the care of children in the United States are estimated to be nearly $1.4 billion. Of this amount, it is estimated that $229 million comes from federal sources. Parents' fees are the primary source of the remainder; of those who do pay for care the average cost is around $500 per year. Some funds also come from state and local governments and some from contributions. Most federal funds are probably used for non-proprietary center and family care.

The costs of care vary with the services offered. The estimated annual cost of care in a center providing basic care and supervision is $400 per child, approximately $700 per year per child for centers offering some educational activities, and $1,300 per year for centers providing child development services. Two major cost areas are personnel and the initial financing of facilities.

Quality of care is currently controlled through licensing. The system, however, is relatively ineffective; the requirements are not uniform throughout the nation and most children are cared for in programs not covered by license requirements.

3.0 POLICY ISSUE: SHOULD THE FEDERAL GOVERNMENT PROVIDE MORE DAY CARE SERVICES?

The analysis presented in this section concludes that there is no doubt that the increased availability of day care services will be of real value to some families and that some of the federal objectives stated could be served by an increased federal role in day care. Thus we recommend that an increased federal role be actively and carefully considered on the basis of its merits and associated costs by federal policy makers. Since objectives considered are multiple, and in some cases contradictory (for example, lowering or reducing welfare-related costs conflicts in part with objectives associated with increased service), and since costs-allocation decisions are policy questions outside the scope of our analysis, our recommendations on the policy question: "Should the federal government provide more day care services?" are neutral. Rather, we have attempted to organize results and findings relevant to the costs and benefits of various federal actions in relation to various federal objectives and leave policy decisions in the hands of the policy makers.

The federal objectives that we analyze in this chapter are described in some detail in chapter one. We have rephrased them slightly for the purposes of the discussion here; they are as follows:

1. Reducing the number of children now receiving inadequate day care services, such as children left to care for themselves.
2. Decreasing the cost of welfare (either the current AFDC program or the H.R. 1 program) by helping mothers to work.
3. Increasing the net income of poor families by helping mothers to work.
4. Increasing the work fare concept (reduce "free loading"):

By decreasing the welfare rolls by helping mothers who can work their way off welfare to do so, and

By increasing the percentage of mothers on welfare who are also working and thus contributing toward their support.

5. Increasing opportunities for women outside the home.

(Objectives four and seven in the discussion presented in chapter one have not been included in this listing, as they are not pertinent to the policy question under anlaysis in this chapter. They relate, respectively, to child development and to delivery systems, which are discussed in chapters four and six of this Summary Report.)

The impact of increased federal day care support is considered for three major categories of families:

1. The *welfare poor*, (basically, current AFDC families—female headed households);
2. The *working poor*, (families with incomes under $4,000 generally not eligible for AFDC but eligible under H.R. 1);
3. The *near poor*, families with incomes between $4,000 and $8,000.

Since the cost level of day care to be furnished is itself a policy question, we have analyzed the implications of various levels of cost. The day care services for each category of family are considered at cost levels of $400, $800, $1,200 and $2,000 per year for preschool children for both welfare poor and working poor families and $400, $800 and $1,200 for near-poor families. Care for school-age children is considered for both welfare-poor and working-poor families at $300 per year. (See "Notes" for this chapter for a description of the type of services that would typically be purchased for each price level.)

The estimation of the potential impact of day care services in relation to federal objectives requires that certain conditions be assumed. The estimates presented here assume that: (1) a variety of day care settings are available; (2) the use of services is voluntary; and (3) there is a reasonably good labor market (4% unemployment). The estimates of the employment response were developed from several different approaches, including economic models (wage subsidy), employment behavior by characteristics of mothers and children, and survey results.

3.1 Replacement of existing "Inadequate Care" with "Adequate Care"

A major reason often offered for increased federal provision of day care services is that existing day care arrangements used by working parents are inadequate. What effect would the increased provision of day care services have on moving children from "inadequate care" to "adequate" or "better than adequate care"?

Obviously, the key to this estimate is the definition of inadequate, adequate, or better than adequate care. There are no agreed upon definitions of these terms. Some definitions of inadequate care that have been offered arbitrarily exclude many day care

arrangements that may be of excellent quality. The following subsection presents some examples.

Possible definitions of adequate care

1. All care not in licensed facilities is inadequate. This definition automatically defines as inadequate the 70% of day care arrangements that do not have to be licensed, including over half of all day care arrangements where a relative cares for the child (usually the child's father in the child's own home). Many such day care arrangements may not only be adequate but some may even be more than adequate.

2. All day care not in comprehensive day care centers is inadequate. This definition defines as inadequate not only all care in the child's own home but also all care in family day care homes or in the home of a relative. Many children receive "comprehensive services" through their own families and hence do not need such services in a day care setting.

The first definition is often used to measure the need for day care services. For example, one proposed day care bill states: ". . . there are fewer than 700,000 spaces in licensed day care centers to serve the over 5 million preschool children whose mothers work" ("Economic Opportunity Amendments of 1972," p. S1971). This implies that all of the five million preschool children need to be served in licensed day care centers if they are to receive adequate care. There are no sources of data to determine exactly where the five million preschool children of working mothers are cared for, but an analysis of the care arrangements of approximately 1.6 million preschool children of working mothers with family incomes under $8,000 per year indicates the inappropriateness of measuring the "need" for day care by the difference between the number of children working mothers and the number of licensed day care slots.

Table 6 shows the distribution of arrangements for the 1.6 million preschool children by the type of care and by whether the types of care are licensed—that is, subject to license requirements. The large majority of children, more than 70%, are cared for in situations not subject to license requirements.

More than 915,000 arrangements, or 44% of the care, was in the child's own home. The largest single group of caretakers in the home were fathers, who provided care in 377,000, or 19% of the cases. Hence, almost one out of every five children cared for in an "unlicensed" facility was cared for by his father in his own home. Another 15% of the children are cared for outside the home by a relative, also an "unlicensed" caregiver in an "unlicensed" facility.

Only about 30% of the arrangements (603,000) are subject to licensing. Further, the largest group of care outside the home is in family day care homes, which in some states and under some conditions are not subject to licensing. (The rule is usually that homes caring for less than three children are not required to have a license. Since the average enrollment per family home was 1.6 children and about half the homes cared for only one child, it is reasonable that many of these homes are not licensed because there is no requirement for licensure.)

In view of the situation described above, unless one is willing to require fathers (and other relatives) to be licensed to care for their own children or unless one is willing to require that all children be cared for outside their own home in centers or licensed family homes, it is unlikely that even half of the children of working mothers will ever be cared for in licensed facilities. This is especially true since care by fathers and relatives in the home is assigned the highest level of satisfaction by mothers in preference surveys (Day Care Survey-1970).

Thus, the difference between the number of children of working mothers and the number of licensed day care slots is an unrealistic measure of either the lack of adequate care or the need for more licensed day care slots.

What can be used as measures of the effect of increased day care services on the number of children receiving inadequate care? In view of the lack of accepted objective standards of adequate care there are two possible definitions of day care situations that might be reasonable to use as definitions of inadequate care. These are situations where (1) a child (especially preschool) is left to care for himself, and (2) situations where the mother states that she is "not very well satisfied" with the care arrangement.

Child cares for himself

It can, perhaps, be agreed that care by a child for himself, especially a preschool child, is inadequate. Of mothers using this type of care (for both preschool and school-age children) only 38% indicate that they are very well satisfied with it; 39% are pretty well satisfied; and 12% are "not very well satisfied" with it.

TABLE 6.—DAY CARE ARRANGEMENTS FOR PRESCHOOL CHILDREN OF WORKING MOTHERS WITH INCOMES UNDER $8,000 [1]

Type of arrangements	Number of arrangements [2] (thousands)	Percent [3]	License status
Child in school	[4] 107	5	Licensable.
Mother care for child while working	92	5	Not subject to licensing.
Child cares for self	11	1	Do.
In-home care	915	44	Do.
By father	377	19	Do.
By sibling	85	4	Do.
By relative	302	14	Do.
By nonrelative	150	7	Do.
Out-of-home care	920	45	
By relative	317	15	Do.
By nonrelative	22	2	May be licensable
Day care homes	366	18	Do.
Day care centers	215	10	Licensable.
Total	2,045	100	

[1] Derived from tables 4.27, 4.28, 4.29 day care survey, 1970.
[2] Since mothers often make more than 1 arrangement, there are about 2,000,000 arrangements for the 1,600,000 preschool children.
[3] To nearest whole percent.
[4] Nursery school, etc.

For families with incomes less than $8,000 there are reported approximately 11,000 situations where preschool children are left to care for themselves and 249,000 situations where school-age children (six to 14 years) care for themselves. Most of these arrangements, about 65% (160,000) are short-term situations of less than two hours, almost all the remaining ones, 97,000, are for between two and five hours; 3,000, or about 1%, are for more than nine hours. Most of these arrangements are probably school-age children caring for themselves after school.

There is no information on why the mothers leave their chidren to care for themselves. However, on the basis of the characteristics of the hours of care and type of children involved, it might be concluded that if day care services were to reduce substantially the number of children left to care for themselves, such services would have to include: (1) short term care situations and (2) many after school care situations for children six or older. Thus, the creation of centers whose priority for care is assigned to full-day preschool children may not significantly help children now left to care for themselves. Also, approximately 50% of the mothers would prefer an after school supervised recreational program for their school age children.

Since 39% of the mothers indicate that they are "very well satisfied" with the arrangement of leaving children to care for themselves, it could not be expected that the provision of day care services would eliminate all cases where the child is left to care for himself. It could be expected that, if given the opportunity, mothers would, at the minimum, make new arrangements for the 31,000 situations where mothers are dissatisfied with the arrangement of leaving the children to care for themselves.

Care not satisfactory to mothers

On the basis of the mothers' own evaluation, there are some 358,000 care situations with which the mother states she is "not very well satisfied." These are distributed as follows:

Type of arrangement	Number of unsatisfactory situations [1]
Mother watches child while she works	36,000
Child cares for self	31,000
In-home care	126,000
By father	49,000
By sibling	35,000
By other relative	10,000
By nonrelative	32,000
Out-of-home care	166,000
By relative	76,000
By nonrelative	7,000
Day care home	74,000
Day care center	9,000

[1] Derived from table 4.37 day-care survey, 1970.

These unsatisfactory arrangements are 9% of all day care arrangements and are distributed across all types of care arrangements.

Nothing is directly known about why the mothers are dissatisfied with the care arrangements—although the same survey indicated that most mothers *expected* that day care should provide good care, good food, and a safe place to leave the child. It may be these aspects of the arrangement with which the mother is dissatisfied. This is supported by the fact that, while only 9% of the mothers were "not pretty well satisfied" with their day care arrangements, over 50% desired to change their current arrangements. This desire to change may thus be related to factors other than the characteristics of the care itself, and include such aspects as the convenience (time, location, hours, distance from home) or the cost of the care.

It might be concluded that if given the opportunity these mothers would seek to replace at least 358,000 arrangements that at least in their own evaluation were unsatisfactory. Also, after-school supervised recreational programs for school-age children would probably be heavily used if available, since 50% of the mothers prefer this arrangement.

3.2 School-age day care for poor families

The provision of day care services for school-age children will increase the employment response of poor mothers, by less than 5%. Specific findings for the welfare poor and the working poor are as follows:

Welfare poor

Families now receiving welfare (AFDC) tend to include children younger than six. "Because families with older children usually *leave the program*, the AFDC caseload is mainly one of young people (60% of the AFDC families have at least one child under the age of six)" (emphasis added; Services to AFDC Families, HEW, July 1971).

Mothers whose children are six years old or older already participate in the labor force to a considerable extent. For example, nearly 70% of female heads-of-households (with less than $3,500 income other than their own wage) and whose children are all older than six are already in the labor force

(*Final Report*, II, V. 1, Cr. 5, tables 19 and 20).

Hence, AFDC mothers whose children are six and older who remain on AFDC may do so because they are unable to work (physically incapacitated, lack of skills, age) or cannot find work, and not because they lack child care services. (Statistics on AFDC mothers by status of the mothers with children six and older would be able to verify if this is so. However, AFDC survey data is not presently broken down by status of the mother with only children over six. With the available published statistics, it is impossible to tell how many AFDC mothers with children over six are already employed.)

The number of school-age children left to care for themselves (some 15% of all known child care arrangements for AFDC school-age children) is further evidence that the lack of child care services for school-age children does not prevent AFDC mothers from taking jobs (though it may present evidence of the lack of day care services for school-age children).

Working poor

The same facts generally apply to working-poor mothers. More than 55% of all mothers in poor, two-parent families whose children are all six years old or older are already working.

Because the employment response to school-age day care services is expected to be low, the following estimates should be viewed not as precise numbers but as general indicators of the low magnitude of the possible response.

EMPLOYMENT RESPONSE TO SCHOOL-AGE DAY CARE
(MOTHERS WHOSE CHILDREN ARE OLDER THAN 6)

[In percent]

	Mothers working	Increase
Welfare poor	Unknown	2.7
Working poor	55	5.0

Based upon the above estimates, a mandatory work requirement for all AFDC mothers whose children are older than six may not produce much employment response. Recent changes in welfare programs in New York City and California should provide the first empirical information on the effect of this policy decision. Because of the low employment response to the provision of day care services for school-age children, such a program would have little or no effect in achieving the federal objectives of reducing welfare cost, increasing the "workfare" concept, or increasing the income of poor families.

3.3 Can Preschool Day Care Services Decrease the Short-Term Costs of Welfare?

The provision of federal financial support to all preschool children of low-income working mothers will not decrease the cost of welfare; the cost of the day care services will increase total welfare costs.

Welfare poor

The provision of preschool day care services to the welfare poor (female-headed households) would decrease welfare payments by approximately $36 million, plus an additional $3 million in increased income taxes, thus resulting in a gross savings to the federal government of $39 million. (The cost for the program is based on benefit levels of $2,400 for a family of four plus work incentives of 30 plus one-third.)

The cost of the day care services is, however, greater than the savings brought about by the reduced welfare costs. Thus, in totals, a day care program would increase rather than decrease the total cost of the welfare services. Table 7 shows the amounts for alternative costs of day care services.

TABLE 7.—WELFARE COSTS FOR WELFARE POOR

Day-care cost per year	Total day care costs (millions)	Savings (welfare plus income tax) (millions)	Net loss (millions)
$400	$203	$39	$164
$800	406	39	367
$1,200	610	39	571
$2,000	1,016	39	977

The basic reason for the high costs of the day care program is that the day care costs of some 446,000 children of mothers who are already working must be paid for, as well as the cost of the day care for the 62,000 children of mothers who would enter the labor force as a result of the day care program. If the day care program could be limited to paying for the cost of the day care of only the 62,000 children of mothers *newly* entering the labor force (as a result of the program) the cost of this care, $25 million (at $400 per year), would be less than the estimated reduction of welfare costs, $39 million. Total savings in this case would be $14 million. If the program were further limited to the 4,000 mothers with only one child requiring care, the cost of the care, $1.2 million, would be less than the cost reduction of $11.5 million, a saving of $9.9 million.

Working poor

The situation is similar for the working poor. Under an H.R. 1 benefit-level plan, the cost of day care services is greater than the estimated reduction in welfare costs. For this group, the estimated welfare reductions are $30 million; they will also contribute an additional $10 million in income tax payments, so the total savings is estimated to be $40 million.

However, the cost of providing day care to the 310,000 children of already-working mothers in the group, plus the 91,000 children of newly working mothers, at $400 per year, is $160 million, greater than the reduced welfare costs. Table 8 shows the comparisons at different costs per year of day care.

TABLE 8.—WELFARE COSTS FOR WORKING POOR

Cost per year of day care	Total day care cost (millions)	Savings (welfare plus income tax) (millions)	Net loss (millions)
$400	$160	$40	$120
$800	321	40	281
$1,200	481	40	468
$2,000	802	40	762

As with the previous group, the cost of the day care is great because of the cost of care for the children of mothers who are already working.

3.4 Can day care increase net incomes for poor families?

The provision of day care services is estimated to be effective when measured against the objective of increasing family income for poor families in which the mother is able to work.

Welfare poor

For the welfare poor it is estimated that the provision of day care services will allow approximately 29,000 families with 50,000 children to leave poverty. Six thousand of the families with 11,000, will be in near poverty and 23,000 families, with 39,000 children, will be able to achieve a non-poverty status due to increased earnings. These families will have increased earnings of $128 million and increased family income of $990 million (see note 6 for the definition of poverty used in this analysis and for tables of increased earnings).

Working poor

For the working poor, the earnings of the working mother will allow 20,000 families, with 37,000 children, to leave poverty. Seven thousand of the families, with 12,000 children, will be in near poverty; and 13,000 families, with 25,000 children, will be able to achieve non-poverty. These families will have increased earnings of $149 million and increased family income of $108 million.

Near poor

For the near poor (families with income between $4,000 and $8,000), the earnings of the wife will increase the total family income by 25%. However, this percentage will increase with more mothers taking full-time work. For example, WIN graduates averaged $2.28 per hour and 38.7 hours per week (Social Security Amendments of 1971, Appendix B. Senate Hearings, July and August 1971, Table 14). This is $4,588 per year and thus may raise the income of these near-poor families by 50% to 100%. These families will have increased family earnings of $1,147 million.

3.5 Increased "workfare" concept

It is argued by some, particularly members of the middle class, that it is undesirable for society to use tax monies to offer welfare payments to individuals and families who have the potential to contribute something constructive to society but are not doing so. The feeling against giving something for nothing runs so strong in some citizens that it raises the policy question of the desirability of increasing the productive engagement of existing welfare recipients—even if doing so will increase the net cost of current welfare expenditures. "Free loading" in this sense would be reduced to the extent that either the number of adults on welfare is reduced or of the number on welfare, the percentage working or productively employed is increased.

Public employment programs have received increased attention in relation to this goal and represent a primary means to achieving this end. This section, however, is limited to an exploration of the potential role, potential impacts, and associated costs of day care and assumes no public employment program.

Analysis shows that the provision of preschool day care to poor persons (AFDC) and working-poor persons (not now eligible for welfare but eligible under H.R. 1 as proposed) would have the following effects:

The number of families currently on welfare (AFDC) would be reduced by about 2.5%. The number of working poor families (eligible under H.R. 1) would be reduced by approximately 8%.

Day care would serve to increase the percentage of existing (AFDC) welfare mothers working. It is estimated that the number of mothers working full-time would increase from 39% to 46%. Part-time employment would decrease from 9% to 7%.

Day care would also serve to increase the percentage of working poor mothers under H.R. 1. Full time employment would increase from 27% to 40%, and part-time employment would increase from 8% to 11%.

The total cost of such a program at $400 (child) per year would be $203 million for AFDC and $160 million additional for the children of working poor mothers.

The cost of the program would increase proportionately for higher day care cost levels.

3.6 Can day care increase equality of opportunity for women?

Day care services have been proposed as a means of freeing mothers for activities outside the home. The increased provision of preschool day care services is estimated to allow approximately 683,000 mothers to seek

employment opportunities outside the home; of these, 183,000 will be from the welfare or working poor families. Due to the labor market, only about 50% of the women will actually become employed. The remaining mothers could participate in public service programs or volunteer activities.

MOTHERS AVAILABLE FOR OUTSIDE ACTIVITIES DUE TO PRESCHOOL DAY-CARE SERVICES [1]

	Before	After
Welfare poor	264,000	329,000
Working poor	185,000	302,000
Near poor	1,345,000	1,845,000

[1] The estimates for the welfare and working poor are from the full-employment model (final report, II, V. 1, ch. 5, table 40).

3.7 Conclusions and recommendations

We have analyzed five of the seven major potential objectives of increased federal support for day care that were discussed in the "Statement of the Problem" (chapter one). The objectives are multiple and in some cases contradictory (for example, lowering or reducing welfare costs conflicts in part with the objectives relative to increased day care service). The selection and weighing of objectives is a policy decision which necessarily places it outside the scope of this document. However, the following material is instructive in terms of the expected impacts of day care.

Reduced welfare cost

Increasing federal support of day care by providing day care to all working families is not expected to reduce welfare costs, even at low cost levels for day care ($400 per year per child). There are several reasons for this. Most important, a large number of employable welfare mothers are already working, especially those with school-age children to whom the mandatory work requirement applies. Day care support for working welfare mothers would thus require providing day care for children to mothers already working. This would result in increased expense at no savings. This expense would more than equal the savings in welfare payments that would result from welfare mothers being newly employed and leaving welfare.

If day care were offered only to welfare mothers who would become newly employed as a result of receiving the service and already-working welfare mothers were excluded, the provision of services would reduce welfare costs, but only if day care were provided at a cost of $600 or less per child per year. If services were further limited to such families with only one child, welfare costs would be reduced by the subsidy of day care at $1,000 per child or less. If day care were offered at $400 per child per year to these two groups, welfare savings at the proposed H.R. 1 benefit levels are estimated at $14 million (multiple child) per year and $9.9 million (single child) per year respectively.

The provision of preschool day care services to all working welfare mothers (AFDC) with preschool children is estimated to have the following benefits:

32,000 additional welfare mothers would be employed;

62,000 additional children would receive day care services;

total welfare families receiving day care would increase 6%;

12,000 families would leave welfare (under H.R. 1);

23,000 of these families with 39,000 children would escape poverty;

Family earnings for this group would increase $128 million per year.

The increased federal cost of providing day care to working welfare mothers at the rate of $400 per child per year is estimated to cost $53 million more than current federal expenditures, $256 million more at $800 per year, $460 million more at $1,200 per child per year, and $866 million more at $2,000 per child per year (gross costs).

The provision of preschool day care services to all working poor mothers is estimated to have the following benefits:

58,000 additional working poor mothers would be employed;

91,000 additional children would receive day care services;

The total of working poor families receiving day care would increase 11%;

40,000 families would be able to leave welfare (under H.R. 1);

20,000 families (with 37,000 children) would escape poverty;

Family earnings for this group would increase $148 million per year.

The gross federal cost of providing day care to working poor mothers at the rate of $400 per child per year is estimated to be $160 million; $321 million at $800 per child per year; $481 million at $1,200 per child per year; and $802 million at $2,000 per child per year.

The gross federal cost of providing day care to working poor mothers at the rate of $400 per child per year is estimated to be $160 million; $321 million at $800 per child per year

Increased family income

The provision of preschool day care to working mothers of all families with incomes of less than $8,000 per year (welfare poor, working poor, near poor) would significantly increase the income of families involved. The increase in income would be especially significant for near-poor and working-poor families, many of which are two-parent families in which day care would enable the mother to work. Annual increases in earnings are estimates as follows:

Increased earnings for welfare poor, $128 million per year;

Increased earnings for working poor, $149 million per year;

Increased earnings for near poor, $1,147 million per year.

Assuming a sliding fee schedule for the near poor, the increase in federal cost for such a program is estimated to be $413 million per year (at $400 per child per year for day care). The total day care costs (not reflecting savings in welfare costs and returns in income tax) is estimated to be $563 million per year. This would represent an increase in the overall group's income of $2.50 for each federal dollar spent. Most of this benefit would go to the near poor.

School-age day care

Little relative benefit can be expected in relation to an increased employment response of welfare-poor and working-poor mothers with school-age children. This employment response is estimated to be 2.7% and 5% respectively. Most mothers either are already working or off welfare when their children are of school-age, or unable to work. This is the group to which the H.R. 1 work requirement applies, whereas employment is voluntary with regard to mothers with preschool children.

Replacement of inadequate care

The argument that increased federal support to day care is necessary to replace widespread existing "inadequate" care is exaggerated by some (although significant to the individual children who do not receive adequate care). It is estimated that at present 11,000 preschool children of working mothers with incomes less than $8,000 a year are left alone while their mothers work. Most such children are left alone for two hours a day or less. An estimated 130,000 school-age children care for themselves during the hours of non-school time while their mothers work. Surveys of poor-working mothers indicate that 9% are dissatisfied with existing child care arrangements. The number of children receiving care in unlicensed facilities is judged irrelevant in itself in relation to the adequacy of care since many adequate arrangements are not subject to license requirements including, for example, care in the child's home by its father.

The provision of after-school programs for school-aged children at $300 per child per year would serve one million children at a cost of $300 million. This care could reduce by about half the number of school-age children (130,000) presently left alone during the non-school hours. No reliable estimates are available on the effect of federal support of preschool day care or on the number of preschool children left alone. The number would be reduced but not eliminated.

Cost considerations

There has been much discussion of the cost of adequate custodial day care. Current Office of Child Development (ODC) estimates are approximately $800 per child per year. Previously OCD had estimated $1,200 as required for adequate care. However, a national survey (Day Care Survey—1970) reports that the average cost of "adequate custodial care" in day care centers is $400. Custodial care offers food, shelter, and adult supervision but makes no attempt to provide education or other services, such as health care or family counseling (Day Care Survey—1970, p. 18). While this figure is low, it represents the most systematic and empirical estimate available.

Based upon the data cited, federal policy makers seem bound to consider the rationale for furnishing day care at higher cost levels. At all costs the quality of care varies; thus higher cost care in itself offers no assurance that the quality of care would be higher. Further, as described in chapter two and chapter four, the basic services purchased with day care dollars above $400 are "child development" oriented. There is no conclusive evidence that such services in a day care setting have either a long-term positive effect on the child or enhance the employment response of mothers. Nor is there any reliable evidence that good quality day care provided at the $400 level is harmful to children. We do not intend these observations as a recommendation that the $400 day care level be adopted but rather to point out that there is a lack of conclusive evidence that higher cost care is necessary to purchase "adequate" custodial care in the free market.

There is no conclusive evidence that the development of children will be harmed by quality custodial day care as contrasted with their spending the same time at home. Neither is there conclusive evidence that the development of children will not be harmed by day care less intensive in its development components than Head Start. This question has simply not been researched but is clearly relevant to the policy issue at hand, and we strongly recommend its examination. (The Head Start frame of reference follows from comparison of Head Start children with control groups which showed that Head Start children fared no worse than children not receiving services.)

In sum, increased federal support of day care services to the R.R. 1 welfare group and/or the near poor will increase welfare costs (unless limited to newly working mothers only and provided at a cost of less than $1,000 to one-child families and less than $600 to multiple-child families). Tangible but limited benefits will accrue since many mothers are already working, especially mothers with school-age children. Benefits will include increased employment among families, movement for some families off welfare and of some families out of poverty. Many of the children of mothers (9% of total) who feel existing care is unsatisfactory could be expected to obtain care the

mothers judge to be more satisfactory.

Inclusion of families with incomes of $8,000 or below in a federally supported day care program on a sliding fee schedule basis would substantially benefit the near-poor group with an estimated $1,147 million increase in earnings.

An omnibus package, providing day care vouchers to all families with incomes less than $8,000 at $400 per year per child with a sliding fee schedule for near-poor families and after-school care for school-aged children for one million children at $300 per year per child, would cost a net of $680 million (total cost $853 million).

If the cost of day care were offered at the level of $800 per year per child, the cost of this package would increase to a net of $1,343 million (total cost $1,526 million).

4.0 POLICY ISSUE: SHOULD CHILD DEVELOPMENT SERVICES BE PROVIDED IN FEDERALLY SUPPORTED DAY CARE ARRANGEMENTS?

It is impossible to consider day care without also considering child development. Virtually all debate about day care has, implicitly or explicitly, considered the inclusion of child development services with day care. The debate usually centers on the services that should be included in day care and the cost levels that will buy "adequate care." The more expensive estimates of "adequate care" invariably includes provisions of child development services. Some observers feel that some advocates of child development promote high estimates of day care costs to squeeze as much child development service as possible into federal day care programs. A detailed analysis of child development was beyond the scope of our study, but because the issue is so important as it relates to day care, salient policy issues are treated in this report.

It is useful to consider the following issues: Is there a need for some type of child development service? (We have found that there is.) Will purely custodial day care damage children by providing an environment devoid of the developmental nurturance that the child would have received in his own home? (We find no evidence.) Can effective child development services be provided in a day care setting and, will they measurably enhance a child's development? (No operational program has been proven effective; a very few experimental programs show short-term gains.) We consider these issues in this chapter, and on the basis of our analysis, we present our recommendation for federal action: further research, and demonstration and evaluation prior to federal support of a national child development program in conjunction with day care.

A definition of child development services is necessary to consider these issues carefully; we present this definition in chapter two. In this chapter, unless otherwise specified, the term "child development services" is intended to mean comprehensive services (medical, dental, nutritional, educational, and psychological services, and parent education). We particularly emphasize intellectual development.

4.1 Rationale for Federal initiative in child development

There is a growing awareness of the importance of early childhood in mental, physical, and social development. There is also an increasing recognition that poverty, the forces that create it, and the opportunities for the development of poor children are mutually reinforcing.

Numerous findings document the inferior opportunities for development afforded the poor child in society today, the human consequences of this lack, and the pressing need for alteration of these circumstances. It is our conviction that the nature, extent, and significance of this problem demands federal attention. The issue, in our opinion, is not whether such attention is necessary, but rather the most effective form and focus of such attention. To illustrate the reality of the problem, we present a few additional reported findings below.

The child born into a poor family shows the effects of fewer child development services before birth and continually throughout his life. A close correlation has been established between prematurity and low socioeconomic status and between low birth weight and high rates of infant mortality. Serious handicaps, such as brain damage, mental retardation, blindness, and other disabilities, occur more frequently among poor children than among children in the general population. Data show that a large proportion of poor mothers, particularly nonwhite mothers, receive no prenatal care and inadequate obstetrical care at delivery. According to one study: "of the estimated 3% of children who are mentally retarded, 75% show no obvious brain damage and have few physical handicaps. Typically, these seemingly non-organic cases come from census tracts where the median income is $3,000 a year or less" (Crisis in Child Mental Health, 1969).

Research findings suggest that poor children show the effects of the lack of child development opportunities by their relatively poor health status and mental performance throughout their entire life, as documented below.

Health

The National Nutrition Survey showed that 26% of the children from the lower-income families had unacceptable hemoglobin levels, compared with 13% at the highest-income levels. Similar findings were found with respect to vitamin deficiencies; three times as many poor children were found to have deficiencies of vitamins A and C as children in high-income families (Children in Profiles, 1970, Chart 113).

Fifteen per cent of the poor children studied showed growth retardation. Children between one and three years were considerably below the average height of United States children the same age (Mibauer and Leinward, 1971).

Many poor children receive no health services. "Most of the 600,000 children . . . in Head Start in 1964 had never seen a physician or dentist and had received no immunization . . . Seventy per cent of youth enrolled in the Job Corps Program had never seen a physician. In 1966, only 7.5% of children younger than 17 living in poor families visited a pediatrician. In families with incomes over $10,000, 33% visited a pediatrician (Lowe, 1971).

A higher incidence of dental problems among poor children has been reported: In families with incomes under $3,000 the average number of decayed teeth per child was 3.4; for families over $15,000 income it was 0.7 (Children in Profiles, 1970). For example:

"One study found that 70 per cent of several thousand first graders in a typical Negro district in Chicago were mildly to severely maladapted to the psychological requirements of first grade. Compared to a well-adjusted white group, these youngsters ran a 9 to 1 risk of developing psychiatric symptoms by the end of the school year.

In the same district, some 10 per cent of the youngsters between 7 and 17 years of age came to the attention of authorities each year because of delinquent behavior" (Crisis in Child Mental Health, 1969, p. 25).

Research findings suggest that the poor child falls farther behind the norm as he grows older, while an advantaged child is often able to overcome initial handicaps through family support and other services. For example, in a study in a Maryland county it was found that among lower income black children, 15% were considered mentally retarded by 10 to 14 years of age; and by 20 years of age almost 19% were classified as mentally retarded. In contrast, among middleclass white children, the number identified as having an intellectual deficit was 4% at 5 to 9 years of age, but at 20 years of age the level had fallen to 2% (Lowe, 1970).

Research findings suggest that these mental and psychological handicaps of poor children are reflected in their school performance and intellectual levels:

"Disadvantaged children show high rates of cumulative educational retardation: e.g., it is estimated that 85% of the eighth grade students in Harlem are 'functional illiterates'" (Crisis in Child Mental Health, 1969, P. 25).

It can be argued that lack of educational performance leads to school dropouts:

"There is a consistent correlation between poverty and the number of school dropouts. Of the millions of youths who will drop out this year, about 65 per cent will come from families with incomes of less than $5,000 a year; about 85% will come from families with incomes of less than $7,500. Dropout rates for certain minority groups run as high as 60 to 70 per cent" (Crisis in Child Mental Health, 1969, p. 25).

It can be further reasoned that termination of education by dropping out of school tends to perpetuate poverty and inferior child development opportunities for children of school dropouts. One study on science achievement reported the following relationship between the performance of children and the educational level of their parents. Children of parents with less than an eighth grade education tested 7% to 12% below national averages; with at least one parent graduated from high school scores were 1% to 3% higher than the national average; and with at least one parent educated beyond high school, scores were from 5% to 9% higher than the national average (Report on Education Research, 1971, p. 5).

4.2 Custodial care as a surrogate for parental care

The care provided for children while their mothers work is a substitute for the care that otherwise would be provided by the children's mothers. Considering that the preschool of full-time working mothers probably will spend an average of ten hours a day in the day care setting, it is necessary to evaluate the extent to which custodial care is an adequate substitute for care by the mother. If custodial day care, as such, is found not to be an adequate substitute for parental care in relation to the development of the child, then child development services should be provided at least to the point where day care would be generally equivalent to the development opportunities that would otherwise be found in the home.

Very limited research results have been reported on this issue. These are summarized in this section. Generally they indicate that there is no conclusive evidence on this question. On the basis of the available research findings, we would predict that custodial care that provides nutritionally adequate meals, care and supervision comparable to a good home, and care-givers who have emotional warmth, are friendly and are somewhat child-oriented, would not be detrimental to the development of children. Further for those children now responsible for themselves while their mothers work, especially those under twelve years old, the provisions of adequate supervision and meals may well be an improvement over their current status. Even the best custodial care, however, probably will not result in much improvement in children's development over what normally would have occurred.

Given the critical nature of this issue, in relation to the implications of a nationally supported day care program, we urge that aggressive efforts be made to further research the subject.

There is ample evidence that care provided in different day care homes and centers varies considerably (Day Care Survey—1970; Milich, 1971; Prescott and Jones, 1967). As yet, however, there is little information regarding the impacts of these variations upon the children. Available evidence relates primarily to experimental center programs in which some children may have received additional or more intensive services but in which all children were probably provided more than basic care and supervision. The one study that documented differences in care and staff behavior in day care centers reported only ratings based largely on the extent to which children were attentive, emotionally centered, and spontaneously involved in ongoing activities (Prescott and Jones, 1967). No other assessments of impacts upon children were made. Based on their findings, the authors concluded that ". . . day care should function as a substitute for a good home and that programs which best assume this function will be characterized by a rich and varied environment in which teacher manner is sensitive and friendly and teacher behavior is high in encouragement and balanced in the use of guidance, neutral behavior, and restriction" (Prescott and Jones, 1967, p. 337).

Further evidence of the effects of care givers' or teachers' behavior suggests that some adult behaviors are consistently related to more positive outcomes for children. The general atmosphere or tone of interaction with the children, control techniques and the quality of presentation of information are relevant. Adults who are warm, friendly, somewhat child-centered and who present clear and well-organized instructions are most frequently associated with better outcomes for children. When the adults were hostile authoritarian, rigid and disorganized, children tended to perform less well in school, have lower self-concepts, and less mature social interactions (Kilmer, 1971).

Little information about the impacts of care given by persons other than the mother is available. The effects of day care on the expression and control of emotions, the development of nuturance, independence, individuality, and the freedom to pursue one's own activities are important facets that have not been reseached. Prescott and Jones (1967, 1971) reported that day care centers, unlike the home setting, typically have neither opportunities for the expression of strong feelings nor activities that might evoke them. They also feel that group day care gives children less access to adult attention than might be available at home. Individuality, they feel, is limited; the children must learn to conform to group needs. In addition, the degree of freedom of children in group settings is limited: "In groups, children typically are not permitted out of an adult's view and, consequently, are also accessible to other children" (Prescott and Jones, 1971, p. 56).

These same authors also express concern about the types of activities provided for children in day care settings. In general, well-equipped day care centers probably offer a greater choice and variety of activities. However, the authors point out that some centers may overemphasize activities that demand only small-muscle skills at the expense of large spontaneous movement. In addition, children may not be given the opportunity to choose activities. Schedules in homes may be more flexible than those in day care centers, too; there may be a tendency to program activities so closely for children in group settings that the children have few opportunities for dealing with unexpected or unanticipated events. Children's areas of activity may also be restricted to one room, or at the most, two or three rooms; whereas at home they would most likely be able to go freely to any room in the house, or even to visit friends within the neighborhoods.

Research on the effects of day care on the social-emotional development of children is badly needed. The areas of freedom versus restriction, availability of role models, conformity to group demands, limitations of free time, and opportunity for expression of strong emotions in day care settings need to be investigated. In addition, the impacts from relationships between children and caretakers need to be examined more closely. Basic research is needed for the long-range impacts from child care, especially for children who spend several years in group settings.

4.3 Child development as a part of day care

Child development services—nutritional, medical, dental, educational, and psychological services—are needed by all children. Traditionally most of these services have been provided for children by their own families, either directly or as a result of the families' initiative. Some children, however, have not received the necessary child development services through their families. The government and other agencies have assisted families in providing such services through the provision of information, funds, and services. One of the ways child development services have been delivered directly to children is through their inclusion in day care programs. (Descriptions and cost estimates of various levels of child development services are presented in chapter two of this Summary Report.)

The existing federal program that is most nearly descriptive of comprehensive child development services in a day care setting is the Head Start program. Two pieces of proposed legislation, the Nelson-Monday Comprehensive Child Care act and the Javits bill, basically propose to extend the coverage and to expand a system of day care based on the Head Start model for the delivery of comprehensive child development services. In the following sections we address the questions of the potential benefits from child development services in day care settings, the numbers of children who could be served, and alternative means for the delivery of such services.

Estimation of Program Benefits

Only limited empirical evidence of the impacts from child development services in day care on disadvantaged children is available at this time. There are no empirical data for school-age children in day care or for children cared for in family day care settings. However, some information is available on the impacts of child development services in a day care setting on preschool children. Two significant data sources are Head Start volunteers and data derived from university-based experimental programs.

Head Start is directed toward disadvantaged children three to five years old, but the programs are diverse. They vary in ages and types of children served, in specific program objectives, and in implementation strategies. It has been the federal intent that Head Start programs include all child development services; the actual kinds and levels of services provided for children in various setings are not well documented, but the information that exists shows that they vary considerably. The estimated cost per child per year is $1,200 (Child Care Data and Materials, 1971). Numerous small research projects with varying results have been reported (Data, 1969; Grotberg, 1969). However, the national evaluation of Head Start found that children who had attended the program for nine months were only slightly better in measures of intellectual development in first grade than were age-mates who had not attended Head Start. Program evaluators referred to program gains as quite modest and 'marginally effective.' Only limited data is available on the retention of gains realized by children participating in the Head Start program; but two studies of this question have been conducted. The first compared second-grade children who participated in Head Start for a full nine-months preschool period with second-grade non-participants. No significant differences were found between these two groups. A second evaluation compared first-grade children who had participated in a similar preschool Head Start program with non-Head Start first-graders and identified modest but statistically significant differences. It is unknown whether these gains will be retained, due to lack of follow-up data. However, the lack of significant differences in the second-grade children (a different study) and evidence from other programs leaves as a critical question whether or not significant gains can be sustained over succeeding years (see *Final Report*, II, Vol. 1, ch. 3).

There were no statistically significant differences between the children who attended only summer programs and those who did not (Impact of Head Start, 1969). Whether these limited results are due to the conceptualization of Head Start or the implementation of the programs, which varied considerably and received limited central control, is not known. Also, it is not known whether second and later years of the Head Start program will prove more effective due to start-up problems associated with the first year of the program.

There is evidence that some federal programs for children do not reach the intended recipients (Robin, n.d.; Title I of ESEA, 1969). The most promising results on the potential impact of child development services in a day care setting have been reported by experimental programs operating under the auspices of colleges and universities. Such programs definitely are not representative of those generally available to the public in existing Head Start programs or other operational programs (Bereiter, 1966; Bereiter and Englemann, 1966; Heber and Rynders, 1969; Karnes, 1968; Kittrell, 1968; Kugel and Parsons, 1967; Lindstrom and Tannebaum, 1970; and Peters et al., 1969). These university-related programs probably have the best chance of any existing programs to foster changes in children. They generally have a high adult-child ratio; a trained, highly motivated staff (although not necessarily all professional); in-service training and supervision; facilities, supplies, equipment; and greater availability of both material and informational resources. The content and activities in these experimental programs were directed primarily toward intellectual development; were based on a clearly articulated rationale and objectives; and were teacher-structured, carefully planned, and presented. Although cost information is not available, these programs are expensive, probably equivalent to the $2,300 level discussed in chapter two—although these programs do not necessarily include the full range of child development services.

In the university-based experimental programs, of all the child development services, education is the only component, with few exceptions, for which impacts upon the children have been assessed. Only the enumeration of the services delivered is available for the other areas. Even when educational services have been evaluated, the impacts assessed have been rather narrowly defined and the available evidence deals primarily with cognitive development of children in infant and preschool programs. Almost no research is available about impacts of care on the social and emotional development of children, although, as discussed in section 4.2, there is the possibility of negative impacts from group care. The findings from this research in experimental programs are summarized below. They are discussed in detail in *Child Care Programs: Estimation of Impacts and Evaluation of Alternative Strategies* (*Final Report*, II, 3 volumes).

1. Programs for infants and toddlers generally have not significantly changed the children's scores on the Bayley Developmental scales—although children in such programs usually score higher than non-participants and there is some evidence of accelerated growth curves and possible delayed or cumulative effects (Caldwell, et al., 1969; Fowler, et al. n.d.; Heber and Rynders, 1969).

2. Preschool children who have participated in intensive experimental programs for at least nine months to a year have showed gains on some measures of language and intellectual development (Day Care Days, 1970; Bereiter, 1968; Bereiter and Engelmann, 1966; Fuschillo, 1968; Gray and Klaus, 1965, 1970; Heber and Rynders, 1969; Karnes et al., 1968; Kugel and Parsons, 1967; Weikart, 1969; Weikart et al., 1970). Even with these gains, however, disadvantaged children generally score no higher than the average for all children their age.

3. Even when the differences between children in experimental programs and their agemates are not statistically significant, the children attending the experimental programs usually score higher on most measures (Cawley et al., 1970; Keister, 1970; Meier et al., 1968; Peters et al., 1969; Spicher et al., 1966).

4. Children in programs with some structured content and learning situations score higher on measures of language, intelligence, and achievement than do children in the more traditional and less structured programs (Berger, 1969; Clasen et al., 1969; Dickie, 1968; Di Lorenzo, 1969; Erickson et al., 1969; Kaines et al., 1968; Miller and Dyer, 1970; Siefert, 1969; Weikart, 1969).

5. Differences are less evident between children who have attended experimental preschool programs and those who have not as the children progress through elementary school. Gains made in preschool drop off as sharply in the first two grades and most differences are no longer statistically significant by the end of the fourth grade (Gray and Klaus, 1970; Weikart, 1970).

6. There is some evidence that a combination of group programs for children plus parent-training programs may be most effective (Barbrack, 1970; Gray and Klaus, 1965, 1970; Klaus and Gray, 1968; Miller, 1969; Neidermeyer, 1969; Radin, 1969).

Thus, it is our conclusion that, although the benefits have been modest, there have been some positive impacts from the inclusion of educational services in intensive experimental programs for preschool children. Although these benefits are no longer statistically significant by the end of the fourth grade, it is argued by some that gains of a four-year duration during elementary school may be of significant value. It should be noted that services in addition to educationally-related ones, especially nutritious meals, were included in these experimental programs and may be related to reported gains.

One of the differences between the results of Head Start and the experimental programs showing positive results is the magnitude and longer maintenance of intellectual gains. These differences may be the result of a more extensive, systematic educational component in the experimental programs.

Although there are little data describing the impacts of other child development services, such provisions, especially nutritious meals and health services may well have some positive impacts upon the recipients.

We recommend that federal resources be allocated for the assessment of impacts from nutritional, medical, dental, psychological, and social service components of the Head Start, Parent, Child Centers, and other programs for children. Expected impacts must be defined and appropriate measures developed to determine specific impacts. Research is needed to specify what actually happens in programs, to identify the specific factors contributing to the impacts, the characteristics of children who benefit from such services, and the best ways of effectively maintaining benefits over a longer period of time. Although many feel such services are necessary to foster optimal development of children, systematic research and development is needed before programs showing long-term gains are designed and proven, and effective means of delivering services on a mass scale is established. Then, in our opinion, the time will be ripe to consider major federal involvement in supporting operational programs.

Program coverage

The nature, degree, and longevity of gains associated with the offering of child development services in a day care setting is one considered relevant to the policy question of federal inclusion of such services in federally supported day care. Another consideration is the extent to which child development services offered in this mode would reach the total population of disadvantaged children. The objective of providing equal developmental opportunities for all children makes this question especially meaningful. Analysis is reported in this section on the total number of children who would be served under different federally supported day care programs and how the percentage relates to the total number in need.

Table 9 presents estimates of the percentage of disadvantaged preschool children who could be served under these proposed programs: H.R. 1 as it passed the House (7.5%), the Nelson-Mondale bill as introduced (19%), and an example program described in this report (23%).

These percentages are relatively modest if the goal of a child development program is stated as reaching all disadvantaged preschool children. The modest nature of the percentages is partly related to the high cost of providing services in this manner; a subject which is treated in the following section. The estimates of the number of children served by each proposed program are based upon cost levels of service as stated by the proponents of each program. The issue of the impact or benefits received by participants is, of course, another question (see Note 1 in the "Notes" to this chapter for explanation of estimates).

Program costs

The day care mode of providing child development services is an expensive one. The magnitude of this expense is illustrated by Table 10.

The table has been developed assuming that adequate custodial care can be purchased for $400 per child per year (see chapter two for a discussion of day care cost levels). The table also presents a $2,300 per child per year cost for a child development component. This estimate is high, relative to current Head Start program costs and the estimates of various professionals, but it is our best estimate of the cost of providing the only type of child development services which have been *proven* effective in the short run (gains that are retained for more than one grade level): programs modeled after the university-based experimental projects cited earlier. It might be useful for those who would wish such cost estimates lower to ask what evidence exists that programs costing less than $2,300 per child per year are as effective. We have found none, although we wish we had.[2] It should be noted that the experimental cost levels of $2,300 can be expected to decrease as programs move from experimentation to the operation stage.

Footnotes at end of article.

TABLE 9.—ESTIMATED NUMBERS OF PRESCHOOL CHILDREN SERVED UNDER DIFFERENT FEDERAL DAY CARE PROGRAMS

Program	Eligibility criteria	Number of children under 6 years old served (thousands)	Percent of potential H.R. 1 working mothers served	Other children served (thousands)	Percent of total number of children eligible for H.R. 1 served
Example program described in this report	Children under 6 years.[1] Limited to children of mothers working or in work-related activities. Family income under $4,320 for a family of 4.	[2] 909	100	([3])	23
H.R. 1 (as it passed the House)	Children under 6 years.[1] Family income under $4,320 for a family of 4.	[4] 292	32	([3])	7.5
Nelson-Mondale bill S. 3193, as introduced in the 2d session, 92d Congress.	Priorities: Family income below BLS lower living standard, Children under 6 years.[1] Children of working parents. Children of single parents.	[5] 830	[6] 8	83	19

[1] All bills cover children under 14 years old. These estimates are only for children under 6 years old.
[2] See ch. 3: Estimated total number of preschool children of mothers who are likely to work.
[3] None.
[4] Estimates a 3d of total of 875 day care slots under H.R. 1, "Report in Preschool Education, Sept. 22, 1971".
[5] Estimate of the total number of preschool children served is based on a total allocation of $1.5 billion; $500,000,000 is restricted to Headstart programs; $1,000,000,000 is evenly divided between preschool and school-aged children. This provides a total of $1,000,000,000 for preschool children. Based on the cost of $1,200 per child for child development services, $1,000,000,000 will serve 830,000 preschool children.
[6] Allocated at current percentage (19 percent) of full day, full year Headstart program or 158,000 slots. 50 percent of children with working mother. Current ratio is approximately 30 percent "Child Care Data and Materials, 1971."
[7] Based on current Headstart ratio of 90 percent "disadvantaged" meaning H.R. 1 eligible and 10 percent above H.R. 1.

TABLE 10.—ESTIMATED ANNUAL COSTS OF PROVIDING CHILD DEVELOPMENT SERVICES FOR PRESCHOOL CHILDREN UNDER DIFFERENT FEDERAL CHILD-CARE PROGRAMS

Program	Number of children to be served (thousands) [1]	Annual per-child cost of custodial care at $400	Annual incremental cost of child care at $800 (Headstart)	Annual incremental cost of child development component at $1,900 per child (millions)	Total program cost: day care plus child development at $2,300 per child (millions)
1. Service to all disadvantaged children (under H.R. 1)	3,900	$1,560	$3,120	$7,410	$8,970
2. Example program described in this report	909	363	727	1,727	2,090
3. H.R. 1 (as it passed the House)	292	117	234	555	672
4. Nelson-Mondale bill S. 3193, as introduced in the 2d sess., 92d Cong.	830	$332	$664	$1,577	$1,909

[1] Estimates presented in table 9.

It may be argued by some that not only is $400 per child per year too low a cost to purchase on a large-scale but also that even where adequate custodial care can be purchased at this price, much of it may be available only in settings which are unsuitable for the university-project type of child development services. In all probability this is partly true, but if child care sites are selected on the basis of their appropriateness for intensive child development services, then the additional cost of site selection is appropriately attributed to the child development program component.

An incremental cost equivalent to the cost of Head Start style programs is shown on the table to indicate the cost of such a program component. At present, findings show such a program to be "marginally effective," but further research and development could lead to the development of more effective programs at this cost level.

4.4 Alternative models for the delivery of child development services

The inclusion of child development services in a day care setting is only one possible approach for the provision of child development services to children. Alternative methods include: pre-parent and parent education to increase the effectiveness of parents in offering child development experiences; provision of services directly to children either in their own homes through media, tutors, or home visitors, or outside their homes through services available to all children (or at least all poor children); and programs involving active participation of parents with children either in or outside their homes. Some experimentation is currently underway for the provision of child development services, especially education and other activities related to school success. It may, perhaps, be beneficial to increase the amount of home training or to focus the home training on the parent, who can then give support over a longer period of time and at more times during the day. In several experimental efforts, parents have been trained in effective ways of interacting with their children. Some of these have been successful, especially those which were concrete and involved specific suggestions or instructions for activities and methods of presenting information to young childern (Barbrack and Horton, 1970; Boger, 1969; and Levenstein, 1970). Since these programs are relatively recent, the durability of gains or measures of intelligence or achievement of children is not known.

Courses in child development, psychology, and experiences with young children are being tried in several junior high and high schools (Programs for Infants and Young Children, 1969).

Sesame Street focused on symbolic representation, cognitive processes and concepts, and environmental information. After one year, the results are that those children who watched the most gained the most on all tests (Ball and Bogatz, 1970). The tests were devised by the experimenters. Media presentations for parents as well as children should be researched.

It may also be possible to include some services within a day care setting at a lower cost than the services now cost. Combinations of group and family day care arrangements may be less expensive and enable children to have some more planned educational and social experiences. Some success has been found with the inclusion of limited daily tutoring sessions either for children in custodial day care programs or in their own homes (Blank and Solomon, 1969, 1970).

While an in-depth analysis of these alternatives was beyond the scope of our analysis, these and other methods of delivering child development services should be evaluated. Their advantages, weaknesses and costs should be assessed and given full policy consideration prior to a major federal commitment to support child development services in day care.

In relation to modes of delivering child development services which are alternatives to inclusion with custodial day care, several points are worth noting.

First, the federal policy decision as to whether or not child development services should be offered to disadvantaged children is *not* the same decision as to whether such services should receive federal support as a part of day care; there are other means, and a decision not to include the services in day care settings does not preclude use of other means or even later inclusion in day care settings.

Second, there is evidence that other modes of delivery (without commenting on effectiveness) are significantly cheaper than day-care-based child development (educational component). For example, TV program costs are lower on a per child basis than day care, if given wide dissemination.

Some leading child development professionals are of the opinion that further research is necessary prior to selection of any mode of national implementation of child development services.[3]

4.5 A recommended national research program on child development

Given available evidence, we feel it is too early for a federal policy decision to be made to support comprehensive child development services on a national scale in a day care setting. Further, it is our opinion that there is too little evidence to indicate that day care will necessarily provide the most efficient and effective mode of offering child development services. Consequently, we recommend that federal actions related to day care be taken in a manner allowing maximum flexibility for possible later inclusion of child development services, as yet of undefined form; that federal operational investments in offering comprehensive child development services on a national basis be held in abeyance pending further research and development; and that a formal, aggressive national program of research, demonstration, and evaluation in child development services for the disadvantaged be created.

These recommendations are based upon our conclusion that there is a significant, unmet social need for enriched child development opportunities for the disadvantaged; that research, demonstration, and evaluation results are tantalizing in their suggestiveness of significant potential for effective, federally supported programs; that such programs have not yet even proven effective in a form practical for national implementation; and, finally, that disadvantaged children will not be well served by expenditures of funds for programs likely to be ineffective. Rather, disadvantaged children will be best served by a concentrated and aggressive effort to identify, prove, and ready for implementation effective programs which can be offered at a cost which will allow such services to reach as many children as possible: ideally, all in need.

In order to facilitate effective planning and delivery of child development services, we recommend that the research and development program include: systematic evaluations of the impacts and costs of day care and child development services; systematic investigation of alternative methods for providing day care and child development services to obtain the maximum benefits; the development of effective means of disseminating information about day care and child development and related topics; and the development of an effective system for controlling services for children.

We strongly recommend that the responsibility for such research and development activities be assigned to an agency or agencies not directly responsible for providing services. We recommend the authority for planning and conducting such research activities be delegated to an officially created Office of Child Development, Department of Health, Education, and Welfare. (See Note 1 to chapter six in the "Notes" section of this Summary Report.) Such an office should be charged with reporting to Congress on all matters relevant to the creation of a federally supported national child development program. We recommend that Congress not enact such a program until adequate data demonstrate the value of such a program, and methods are developed and proven for delivering such services effectively and efficiently.

Further details of this recommended program are presented in chapter six. The recommended program would entail no additional cost to the federal government, since it would supplant the current Head Start program.

4.6 Conclusions

The following are the conclusions from our analysis of the policy question, "Should child development services be provided in federally supported day care arrangements?"

In relation to the objective of an equal development opportunity for all children, beyond a doubt there exists an unmet need. There are 10.5 million poor children (age 0–

Footnotes at end of article.

18). About a third, or 3.5 million, are younger than six. Many of these children do not have full opportunities for development; this lack of opportunity degrades the quality of their lives and increases the burdens of society.

Custodial care providing adequate safety, supervision, and meals by a competent care giver will probably not be detrimental to the development of children. Other than providing for children who are not now receiving care while their mothers work, little, if any, positive changes in the children's development will result from custodial care.

The Head Start experience suggests that the program as delivered in the past, at best, has offered only limited short-term educational gains for participants.

Results from other, more carefully controlled and more intensive experimental programs indicate some gains in educational level and/or intellectual development for preschool children. However, the benefits gained by children participating drop to zero by the end of the fourth grade.

Impacts from other child development components (health, dental, nutritional, psychological, and parent education) that might be included in day care settings have not been assessed. Research is needed to identify and evaluate the impacts of these child development services provided in day care settings.

Current proposals for implementing child development services as a part of day care on a large scale—providing children the benefits suggested by experimental programs—are expensive, limited to only a segment of the population, and highly likely to offer very limited or no measurable benefits because of the lack of adequate means to control quality. The incremental costs of child development services using increased cost estimates to match referenced experimental programs ($2,300 total: $400 custodial and $1,900 developmental services) are $55 million for H.R. 1 and $1,577 million for the Nelson/Mondale proposal. If child development services of this type were offered to all children of working-poor mothers, the estimated cost of child development services would be $1,727 million. These estimates are for preschool only (Table 10).

Child development services offered through day care settings, as reflected in these proposals, would reach only a portion of disadvantaged preschool children (23% of those eligible if provided to children of all mothers working under H.R. 1; 7.5% under H.R. 1 as it passed the House; and 19% under the Nelson/Mondale bill). Other disadvantaged children in need would not receive child development services under these proposal programs (Table 9).

The allocation of funds alone does not guarantee the delivery of child development benefits to children. An effective system for controlling the quality of services provided for children is essential.

There is a variety of potential modes of delivering child development services to disadvantaged children that may reach more children, may be more effective, and may be less expensive than the inclusion of child development services in a day care setting, but little is known about them. We recommend research into alternative modes for delivering child development services prior to the creation of any federally supported, national child development program.

We recommend that a major federal program of research, demonstration, and evaluation in child development be formally created, given a generous budget, and be required to report to Congress on all matters relevant to the creation of a federally supported national child development program. We recommend that Congress not enact such a program until adequate data demonstrates the value of such a program and methods are developed and proven for delivering such services effectively and efficiently. We further recommend that the funds currently allocated to Head Start be reallocated to finance the research, demonstration, and evaluation program.

In summary, it is our opinion that there is not yet sufficient knowledge or understanding of child development to implement or even design a national program offering child development services through a day care situation. Experimental programs that show significant benefits from child development programs are few and recent; the long-term value to children of the programs that have demonstrated measurable benefits is limited to benefits that last no longer than the fourth grade. Very little is known about alternative ways of providing child development services. The control of quality of services offered by existing programs appears crucial to the success reported for experimental programs, yet no effective means has yet been developed for controlling the quality of child development services on a large scale. Research suggests that many child development programs and techniques have significant potential, but there is no adequate knowledge or technology to implement large-scale programs or to offer any assurance that there are not more effective, more efficient, and less expensive means for offering services.

Current proposals for implementing national child development services as a part of day care—apparently attempting to provide to children the benefits suggested by experimental programs—are expensive and limited to only a segment of the population; further, for lack of adequate means of controlling quality, they are highly likely to offer limited benefits or no measurable benefits at all in relation to intellectual development.

If a child development program using day care as a setting were to be rapidly pushed to operational status, and assuming that an adequate method of quality control (which seems a critical factor in the success of experimental programs to date) had been developed and implemented, the costs of the program would have to be high to be effective (perhaps as high as $2,300 per child per year). Some argue that the estimates of the costs of the currently proposed programs have been reduced by public debate in response to political pressure to levels of cost that could not offer significant benefits in relation to the intellectual development of children. Finally, even if current proposals are not judged to be below the effective cost levels, the funding levels proposed would represent substantial expenditures with uncertain returns.

5.0 An analysis of alternative federal delivery-system strategies for further involvement in the day care industry

If the federal government makes a policy decision to significantly increase its level of support of day care services, the immediate question is must answer is what will be the form of this involvement. The extent to which federal program objectives will be achieved will depend upon the effectiveness of the delivery system chosen to support day care services. This chapter analyzes alternative delivery systems and suggests component elements that a proposed delivery system should contain. The chapter also examines the potential effect of the delivery systems proposed by major pieces of day care legislation. The nature of the current industry provides a frame of reference for these analyses.

5.1 An analysis of the existing industry: A context for decisionmaking about Federal involvement in day care

The federal government operates within the current industry in two distinct manners. Through AFDC and a variety of other federally supported programs, money flows into the open-market day care system in the same manner as consumer, out-of-pocket money. On the other hand, the federal government has developed a number of highly structured, community-agency planned and based comprehensive programs—typified by Head Start, Model Cities day care centers, and other centrally planned community operated models.

In effect, two divisions within the day care industry have thus been created by the magnitude of the influence of federal money. Much can be learned from the experience of both of these approaches. This chapter examines the experience, tendencies, characteristics, and the theoretical advantages and disadvantages of both the market model and the centrally planned model as applied to the day care industry.

The Magnitude of the Existing Industry

Day Care is free of charge in about 72% of all cases; the remaining 28% of day care constitutes a $1.4 billion industry, including all public and consumer out-of-pocket money contributed to the industry. Thus, if all day care were to be paid for at the cost that 28% of the current services now bring, day care would become a $5 billion industry, an amount greater than the current AFDC payments program. The individual cost of existing paid day care is so low, mostly less than $10 per week, that it is difficult to imagine any direction for prices to go except up. Further, if federal day care involvement were extended to the point where the federal government assumed full responsibility for ownership and provision of day care to all currently working mothers, the costs would be staggering: an estimated $19 billion for capital costs and $14 billion for operating costs (see note 5 in "Notes: Chapter Two"). Clearly, the current industry is heavily subsidized by private and individual resources, and their continual use is the only means of keeping program costs within the bounds of feasibility for a program of national scope.

The majority of the existing day care industry is composed of private providers, but the bulk of federal support is channeled to not-for-profit providers.

In addition, the growth of the industry has been rapid in recent years and available evidence indicates a likelihood of continued growth. Therefore, in any consideration of federal priorities, of which day care might well be one, the sheer bulk of the industry justifies extreme caution in any federal effort even approximating a takeover or nationalization of day care. Such an undertaking might be compared to the establishment, from next to nothing, of a program equivalent to the existing elementary education system.

Characteristics of the Existing Industry

One way to describe the existing day care industry is to note the characteristics of current parental choices and preferences as revealed in the actual options selected in the currently relatively uncontrolled market. Although only limited information is available on parents' preferences, we do know that the existing day care takes place in three alternative settings: the child's own home, someone else's home, or a day care center. Only 15% of all work-related day care takes place in a formal setting, and even the majority of that is provided in family day care homes or other non-center arrangements. The bulk of all day care, thus, takes place in extremely informal settings about which little is known.

Some evidence does exist describing parental choices and preferences about their day care arrangements. No one form of day care is preferred by even half of working mothers, but the form most preferred is in-home care (about 45% preferring this form of care). Not surprisingly, inexpensive, convenient day care is preferred. Interestingly, however, much center care is not appreciably more expensive than other paid arrangements.

Perhaps the most significant preference—and possibly the most significant single feature of adequate day care—is the warmth and concern of the caretaker. This fact seems to be strong evidence favoring the existing diversified and informal system, in light of the virtually total lack of evidence regarding the value of services, or the correct mix of inputs. This fact also serves as an endorsement of the advisability of maximum parental choice, as is discussed in this chapter.

Other factors favoring the existing industry include at least the following: First, since so little is known regarding the value and effect of various services provided in day care settings, standardization seems inappropriate, if that would ever be a desirable goal. Rather, diversity appears to have emerged naturally and serves to meet the varying needs and desires for day care arrangements. Second, most mothers indicate satisfaction with their present day care arrangements, with the proviso that if more options were available some shifts would take place, and with the proviso that the lack of purchasing power and information precludes certain options, particularly for low-income families.

Past Experience in Federally Supported Day Care

An interesting contrast develops as we compare the existing industry, with its apparent advantages of low cost, convenience, diversity, satisfaction to parents, and so on, with the typical experience in day care when the federal government has taken a substantial role at the level of controlling the operation and provision of the services themselves. The basic features of federally supported day care in the past may be summarized as follows:

Almost all agencies choose to operate their own programs and to provide comprehensive center care; only in a relative few instances were contracts used or were family day care homes involved.

The vast bulk of federal investment is in day care centers.

Over 98% of the investment in centers is for non-proprietary day care.

Programs are generally high cost and comprehensive in nature.

Programs are usually selective: participating children receive substantial services and nonparticipating children receive none.

Little evaluation or other study has been accomplished to determine the value of various services offered in the day care setting.

Standards are set and adhered to that other components of the day care industry, lacking substantial federal support, cannot meet.

The extent of services is generally above the average parental desires as reflected in their free choices in the remainder of the industry.

Professionals and public or quasi-public agencies are usually characterized by the fear of liability and the desire for accountability, resulting in rigid and highly structured or formalized programs and procedures.

If the federal government chooses to further involve itself in the provision of day care in the manner it has in the past, when federal involvement has been substantial and formal at the operational level, every indicator suggests that the day care provided would substantially conform to the characteristics noted above. It can further be argued that in spite of any attempt to legislate or regulate structures in other forms, federal involvement at the local operational and control level will necessarily tend toward certain models, due to such virtually unchangeable characteristics as:

The fear of liability demonstrated by many public agencies and the responses of those agencies to demands for high accountability;

The rigidity or inflexibility of public programs following their initial establishment;

The tendency among public and often professional agencies towards centralization, standardization, or lack of diversity.

5.2 Analysis of essential elements of a federally supported day care delivery system

Maximum Parental Choice

This characteristic would ensure diversity, as apparently is desired, and as appears appropriate in an area where no ideal system is known. Indeed, the value of most components of day care remains substantially unknown. Presumably development and experimentation with new and existing ideas will likewise be encouraged. Parent choice can be maximized through the provision of purchasing power where needed. Parental satisfaction with services provided can likewise best be assured by allowing the greatest possible freedom of choice.

Perhaps more important, parental choice constitutes the best known means of quality control in day care. Again, a key fact is the absence of knowledge regarding any ideal day care programs or components. When such features as the warmth and caring of the provider are suspected to be the key elements of adequate day care, no better selection system appears than parental choice—given the current state of knowledge. Furthermore, historically, licensing and the enforcement of standards have been virtually impossible in many day care settings. Professional standards have also tended to be unnecessarily high in contrast to the known needs of children and the wants and desires of parents.

Parental desire in contrast to preferences of professionals is also relevant to cost. When WIN (or AFDC) recipients arranged for their own day care, the care averaged $315 per child. When the Welfare department arranged care, cost averaged $1,140 per child (*Child Care Data*, 1971, p. 12).

Flexibility and Adaptability

Flexibility and adaptability are obviously required to ensure the diversity and response to parental choice discussed above. Flexibility and adaptability in the delivery system are also required to take into account future trends and future needs.

If any characteristic of the day care industry is obvious, it is that the whole industry is evolving. Among other trends that may affect the provision of services in the future are such things as the increase in the number of women in the labor force, the emphasis on "workfare" and public-employment programs, and expanding knowledge in the area of useful child development services.

The flexibility must be sufficient to allow outmoded facilities and programs to either adapt or be phased out. Public-agency or bureaucratically operated programs are not noted for flexibility, particularly not to the extent of allowing institutions or programs to fail when outdated or no longer demanded. Unless the delivery system for day care has the element of substantial flexibility, this program may well follow the course of other programs that were established prior to the availability of sufficient knowledge and later proved themselves unresponsive to changes in knowledge and in the circumstances of society.

Ease of Transition

As is discussed above, the existing day care industry is massive. Unless the federal policy is to supplement and build upon this existing industry, the cost of a large scale day care program, among other staggering implementation problems, will be virtually prohibitive. On the other side of the issue, the effective federal takeover or nationalization of day care services would eliminate this same massive industry currently functioning in and affecting the national economy. Since the bulk of the current industry is proprietary care, ease of transition as well as maximum use of resources would indicate that further federal involvement should accept proprietary providers.

The existence of the industry does not necessarily mean that it is adequate, where operating, nor that it is complete. Within the existing industry, substantial roles appear to exist for federal supplement of the equality of opportunity for day care services through the provision of purchasing power on an equitable basis and through the stimulation, development, and equalization of needed resources for the provision of adequate child care in all areas and under all conditions.

An Industry for the Poor

Most existing and proposed day care programs are primarily aimed at low-income population groups. Our conclusions and recommendations concern the provision of day care services to the poor. Federal involvement in day care can be designed to serve the poor in two regards:

1. the provision of day care services to poor people in need of services; and

2. the provision of services by poor people who can receive income through such employment.

This latter goal appears possible and should be emphasized in any federally supported day care program. The effect of emphasizing the use of poor people as providers of day care services would be to channel back to the poor community some or all of 60% to 80% of the money now being spent by day care programs for personnel. Also, additional amounts used for expenses for remodeling, equipment, and so on, could contribute to the betterment of residences of the poor providers. The only other option is to have these same funds diverted to business interests in the middle- and upper-class brackets.

The amounts of money thus returned to the community if the form of increase could run as much as $1.2 billion in the first year of operations under the budgets proposed in the comprehensive child care bills, and one-half that amount under the H.R. 1 welfare package. These theoretical maximums may not be approached, but substantial sums might still be so diverted.

A key element in encouraging poor people to act as providers of day care is the structuring of a program so that employment opportunities will exist for this population group. In day care a great deal of this structuring already exists. The industry is very informal. Virtually no technical or other skills beyond those possessed by the average parent are required to enter the industry. Start-up costs for concerns such as family care homes are very small in most cases. No significant barriers appear that would hinder entry into this industry by economically disadvantaged persons.

It would seem a safe assumption that the majority of these informal providers are relatives, neighbors, and such who are likewise poor. If current patterns in the informal day care industry continue, the program could not only make day care services more adequately and equitably available to the poor but could, as we have said, also channel the payments for day care services back into the poor community.

Another key to the realization of this goal is the placement of adequate purchasing power in the hands of the poor. Obviously, without the provision of adequate purchasing power, no increased program or industry will develop. If purchasing power is provided to parents, and they are allowed to continue with their current patterns of behavior, these events in all probability will occur. If, on the other hand, unreasonable constraints are placed on parental choice, or if the decision-making authority is taken away from individual parents, the poor could conceivably be excluded from participation if centralization, standardization, professionalization, and complex administration are encouraged.

At the policy level and at the administrative level, all reasonable efforts should be undertaken to encourage the involvement of the poor community in the provision of day

care services. The channeling back to the poor community of the bulk of what will prove to be a $1 billion program will certainly provide some relief to the economically disadvantaged, as well as to the high cost of the existing welfare program.

5.3 An analysis of alternative theoretical and proposed day care delivery system models

Most national child care proposals under consideration by the Congress include provisions for systems of delivering expanded services. The proposed delivery systems, of course, would be imposed upon the existing patterns of delivery child care. The proposed as well as the existing delivery systems represent combinations of elements of two possible basic models: a market model and a centrally planned model.

These models do not exist in pure form in practice, but represent "ideal" reference points for analysis. More specifically, our recommended delivery system, a modified market model, relies heavily upon consumer choice and product differentiation as a basis for competition—and not on price alone, which is the basic variable in the theoretical market model.

Any system that provides goods and service must include a mechanism by which resources are allocated. Resource allocation, in turn, depends on what goods and services are produced, how they are produced, and to whom they are distributed. In other words, production, efficiency, and distribution issues are all involved in the resource allocation question. The market model and the centrally planned model can be viewed as extremes on a continuum that represents the degree of governmental intervention in the system. At one extreme, government intervention is entirely absent, and the market mechanism is free to determine the allocation, production, efficiency, and distribution outcomes. At the other extreme, government interventon is total; all decisions affecting allocation and soon, are made by fiat.

The models discussed in this section are less extreme versions of these two types. The market model allows for some regulation to facilitate the workings of the market and to assure that all child care produced is of at least a certain minimum quality (for example, certain health and safety standards must be met). At the same time, the centrally planned model allows for a certain malleability in the fiat system by requiring the decision makers to be in some way representative of the population receiving services (elected consumer representatives on a local governing board is one example). We are using our models, therefore, to make the distinction between what Rudolf Klein has called the "market economy" model and the "political economy" model (Klein, 1971, p. 112).

The emphasis in this analysis will be upon our recommended choice of a primarily competitive market model. Additionally, however, the problems of such a system are discussed and the pros and cons of the central planning model are presented.

The Market Model—Characteristics and Advantages of the Market Model

The key feature of a market mechanism is that the price system is allowed to carry out the basic economic functions mentioned above. Consumers select from the goods and services available to them those that best meet their needs, given the constraint imposed by the amount of their incomes. As shortages or surpluses develop, prices adjust so that the market is cleared. At the same time, prices perform a more vital function: they serve as resource-allocation signals. Price combined with quantity purchases determines revenue; revenue minus cost yields profit. Consumers' choices and the response of prices thus determine the profitability of various activities. Provided that barriers to entry are few, resources tend to flow into high-profit activities and out of low-profit or low-producing activities. If costs accurately reflect the value of alternative uses to which resources can be put, then profitability is a good indicator of those economic activities that consumers most want performed, and the resulting flow of resources is desirable.

The market mechanism we outline here does generate consumer sovereignty: the demands of the consumers determine the allocation of resources. The market mechanism also allows for as much diversity as consumers desire—provided that desire is translated into effective demand for goods that are profitable to produce. Also, as long as resources can flow freely into and out of various economic activities, and if producers strive to stay in business and to maximize profits, the competition generated between producers by the market mechanism will result in efficient production. The market model thus appears to deal admirably with the issues of production, distribution, efficiency, and allocation.

The diversity allowed by the market model could be described as a part of a larger attribute of flexibility, larger because flexibility in this model exists for longitudinal change as well as current diversity. At present, day care is an actively provided commodity in this country offered primarily through occasional or informal arrangements, and at a relatively low cost. The next major step in the evolution of the day care industry in this country could well involve its use to help stimulate increased employment among AFDC mothers. This type of service to be effective must emphasize the rapid development of capacity that meets the convenience of the AFDC mother at as low a cost as possible, consistent with adequate quality for the care of children. As the industry develops over the years, it is probable that it will serve more and more women of all economic strata who will enter the labor force. For middle- and upper-income families, day care will be purchased and supplied in response to free market sources.

The other significant development that is now taking place is the advancing knowledge regarding child development services. As the services are proven feasible and valuable, new delivery systems within or beyond day care settings may prove necessary. The development and delivery of truly effective child development services on a national basis may not be many years off. The point, then, is that the flexibility of the market model is highly desirable for the evolving day care and child development industry. The flexibility must allow some providers to fail when no longer needed or in demand. The retention of providers, facilities, and such, when not in demand would inhibit progress and the evolution of the delivery system of new and better services.

Problems with the Model: The Role of Government

The market model rests on certain key assumptions, which may not hold in the day care area. Also, the model neglects at least one important issue of particular relevance to a program directed at the poor and near poor populations. The assumptions of concern are:

1. Consumers must have adequate information on which to base their decisions; but consumers, especially the poor, may be unable to discriminate between good and bad day care. Government intervention in this area could take the form of improved information and education on day care, as well as periodic surveys of the consumers of services from different providers to assess their level of satisfaction with each particular provider. Such surveys could help potential consumers in making their decisions; parents would thereby learn from the experiences of other parents.

2. Barriers to entry in the market model are few. Entering the day care industry is, as yet, a relatively easy process. However, for comprehensive service day care centers significant capital costs are involved. Government intervention can increase the difficulties of entering the industry by increasing the strictness of its regulations. If barriers to entry are to be kept low, then standards must be reasonable and directly related to quality. Certain standards, of course, are necessary to ensure the health and safety of the children.

3. Latent demand may be unrecognized and unmet. It is difficult for consumers to purchase goods that do not exist. A profitable opportunity may be present but overlooked because no potential provider recognizes it. For example, a day care center might be a profitable undertaking in a certain neighborhood, but this will never be known unless someone takes the risk of establishing a center there. Government action in this area might include providing incentives for risk-taking, or carrying out surveys intended to measure the latent demand for different types of day care in specific, apparently high-risk localities.

4. The important issue that the market model neglects is income distribution. The market model, if the above assumptions hold, will allocate resources efficiently given an adequate prevailing income distribution. Specifically, consumers will purchase the amount and type of day care that best meets their needs (i.e., which maximizes their utility), given their income level. However, one of the fundamental tenets underlying proposed day care programs is that the amount of child care that persons with low incomes can purchase is sufficient. The policy objective is to increase the amount of child care obtainable by the low-income population. This requires some form of government subsidation of day care expenditures for the poor.

The financial mechanisms by which the federal government would subsidize the purchasing power of parents could include a variety of types; but under the market model they must ensure that the choice of service remains with the parent, even if the actual purchasing power or money does not. Available mechanisms that the federal government might use include tax deductions or tax credits, income disregard, vouchers, or direct vendor payments. These mechanisms alter the day care prices faced by the consumer in different ways and will thus lead to different resource-allocation outcomes. For this reason, the alternative mechanisms must be carefully compared. However, subsidation of day care must be made in a way that is consistent with consumer sovereignty, an essential element of the market model.

The Centrally Planned Model—Characteristics of the Centrally Planned Model

The essence of the centrally planned model is that all functions and resources are vested in one agency. This agency, thus, has the power to control, monitor, approve, create, or remove all day care services in the region. Each region (either a state or smaller region) would be governed by an agency. Most proponents of this type of day care industry envision each agency governed by at least some consumers or parents who are using the day care services provided.

Interested groups or organizations who wished to provide federally supported day care services in the given area would first have to apply for approval from the central planning agency. It is possible that the agency could act so as to set up competing providers in a given area and then let consumer response determine which providers will succeed and which will fail. In other words, a central agency model is not necessarily incompatible with a market model, in that it could allow that model to operate. However, as noted earlier in this

presentation, we have deliberately developed two extreme and clearly distinct cases in order to best illustrate the issues involved.

There is not clear analogy that would represent what a fully operating central planning day care industry would look like. In general, it may be envisioned as a centrally planned system governed by either an elected or appointed board, or a combination. In an embryonic way, Head Start approximates this industry form.

Financing a centrally planned day care industry would consist of direct financing from the federal government to local or regional planning agencies. These agencies would, in turn, either directly operate programs or contract for the provision of services with qualified organizations.

Parents or individual consumers would not usually have direct purchasing power but, if eligible, would receive child care services if they chose to enroll their child in a program operated or contracted by the central planning agency.

Advantages of the Centrally Planned Model

A number of advantages are usually cited for the centrally planned form of delivery system. The most important are:

1. Such a system would allow the central agency to deal directly with perceived deficiencies in purchasing power and unmet demand. If the agency felt that a certain group of people in a certain area "deserves" more child care but was not receiving it, the agency could funnel resources into that area and make the chosen group eligible for the resulting services. Also, the agency could act to prevent unnecessary duplication of facilities and thereby, presumably promote efficiency.

2. Centralized planning and control does not rely on consumers or parents to make choices they are unable or unprepared to make. Many professionals feel that the consumers who need good day care services the most are the least likely to choose them. No generalization can be made concerning the ability of low-income parents to serve, either directly or indirectly, their children's best interests; however, this population has generally less education and, perhaps, sophistication in the mechanics of obtaining services. Furthermore, all citizens in almost all situations can benefit from both collective and expert wisdom in making decisions.

3. Consumer "control" or representation in the agency would ensure that the kind of services consumers desire would be provided. It is argued that the kind of decisions made by a parent-controlled agency would reflect the collective desires and wisdom of the group.

Problems with the Centrally Planned Model

While the centrally planned model may have certain advantages over the market model, it also creates a number of problems. The basic difference betwen the two approaches is that the price mechanism is replaced by the political process as the allocator of resources in the centrally planned model. The central agency must know and apply the appropriate criteria for resource allocation. Somehow, "needs" must be determined; services to be provided must be precisely defined and directed to the areas of greatest need; the prices to be paid to providers must be determined, usually on the basis of negotiations that attempt to establish a "fair price"; and the eligible population for each type of service must be defined. When shortages or surpluses develop, there is no automatic means to adjust the system; political pressure would have to take its place. Because competition is eliminated, the pressure for efficiency is also seriously reduced.

The outcome of all these deficiencies can be a system that mis-allocates resources, uses them inefficiently, and distributes the resulting products in an arbitrary—and therefore probably inequitable—manner. Some of the major problems are:

1. The potential exists for the central planning agency to be dominated by consumers, professionals, governmental officials, or some coalition of these individual who can force their preferences in day care services on all consumers in the area. Additionally, conflicts or stalemates within the agency could hinder decision-making and, thereby, the availability of quality day care services.

2. Based upon the decisions of one board, day care services will tend to be uniform; innovation, variations and diversity of services will be minimal. The uniformity of school programs run by over 5,000 independent school districts evidence this potential problem.

3. Centralized planning will require extensive administrative machinery and staff, which will raise costs. In addition, monopolistic power is likely to raise costs. (Theoretically, monopolies or central planning agencies can reduce costs through better planning and allocation of resources. In actual practice this rarely if ever happens; costs usually increase.)

4. The day care industry may be more subject to political influences, since most proposed central planning agencies have several politically appointed members.

5. Central planning agencies tend to operate all their own programs (like training) and thus tend to be inefficient, since other organizations may be better equipped to carry out such functions. Central planning agencies tend to have little faith in the capability of other agencies; they tend to believe "we can do it better ourselves," without realizing the complexities involved. Also, these agencies have little incentive to economize or to operate efficiently, since they are not rewarded for doing so.

6. Central planning models tend to become inflexible and rigid once established, since existing programs, facilities, and so on, tend to be retained; thus they consume resources that could be used to develop alternatives to meet changing demand. Failures and phase-outs will not be allowed to occur naturally.

5.4 An analysis of existing and pending Federal strategies and actions

Certain major and even relatively minor policy decisions by the federal government with regard to its strategies and actions in day care can and will be a powerful influence in shaping the nature and type of day care industry that will develop. As important in determining the nature of the day care industry as the amount of money the federal government decides to invest or spend on day care will be the way in which the money will be spent.

The federal government has three basic decision areas with regard to federal involvement in day care:

1. Purchasing power (operating costs).

2. Key resources (facilities, training, and equipment).

3. Performance (quality) control or regulation.

Within each of the first two areas the federal government must make two decisions:

1. How much money it will invest in each area.

2. Who will have control of the expenditures.

(In the case of regulation the decisions are, what will be regulated and who will have authority to enforce regulations.)

The essential fact influencing the following analysis is that policy decisions and actions that tend to place purchasing and decision-making power in the hands of individual consumers will shape the industry toward a market model. Policy decisions and actions that place purchasing power and decision-making authority in a single agency will tend to shape the industry toward a centralized planning and controlled industry.

Actions and Strategies Favoring the Competitive Market Model.

The following are examples of legislative actions or policy decisions that would significantly help shape the industry toward a market industry.

1. *Actions to provide increased consumer demand through the provision of purchasing power:*

Income disregards for the cost of day care services (AFDC program, Opportunities for Families Program, H.R. 1);

Vendor payments for day care services (AFDC program);

Vouchers for day care services (such as Food Stamps);

Opportunity for Families Program and Family Assistance Plan (H.R. 1), which provides money for day care for public assistance recipients and emphasizes parental choice; and

Increased tax deductions for day care services (the Revenue Act of 1971 and prior legislation).

Tax credits for day care services (similar to tax credits for tuition in non-public schools).

2. *Actions to stimulate creation of new programs through the investment of public funds for start-up costs, such as construction, renovation, equipment, and technical assistance.* Most of the major proposed day care legislation provides for key resource support. Obviously the creation of facilities and other key resources are of benefit under either delivery system model. Some examples of this kind of assistance include:

The Opportunities for Families Program and Family Assistance Plan (H.R. 1), which provides specific money for construction, training, and leaves to the discretion of the Secretaries of HEW and Labor how to spend a large pool of funds, at least a portion of which could be spent for the creation of key resources;

The Child Care Corporation concept introduced by Senator Long (but not reintroduced into this session of Congress as of this date), which has as a primary intent the stimulation of key resources through grants, loans, mortgage assistance, and other financing devices;

These programs tend to be oriented toward a market model in the means they have of making funds available both for operations and for development. (H.R. 1 does contain provision for community action agencies to control the operation and delivery of services but does not stress this feature.)

The comprehensive child development approaches, such as the Nelson-Mondale approach (S. 3193) and the Senator Javits approach (S. 3228), which provide the substantial monies for key resource development in the forms of either direct development by community agencies or by grants, loans, contracts, and other appropriate financing mechanisms to day care providers and developers.

These programs are geared entirely to the central planning model for the provision of services and the development of key resources, but are not incompatible with a competitive market model in their basic provision of the support for key resource development.

3. *Actions to stimulate competition by investing or permitting more than one type of sponsor or program.* Some of the major proposed legislation have permitted support to a diversity of sponsors, including both public and private, profit and non-profit, day care and child development:

H.R. 1 and the corporation idea permit such diversity, in that no centralized authority is required except at the federal level;

The comprehensive child development approaches are less likely to promote such diversity since all providers must operate at the sufferance of local central planning authorities with fixed, and presumably limited, goals and approaches (assuming the providers wish to be a part of the federally subsidized industry).

4. *Actions to simplify regulations and permit a diversity of programs to operate:*

The HEW national conference on standards to simplify in general and relax standards for facilities and personnel;

Federal authority to override state laws inhibiting the day care industry;

Technical assistance to states in the development of standards.

Actions and Strategies Hindering the Competitive Market Model.

The following legislative actions and strategies will tend to severely hinder the development of a market-oriented system providing for diversity of services and parental choice:

1. *Actions that would create central planning authorities and day care.*

All of the Comprehensive Child Development bills, which require the use of the central planning authority and prime sponsorship approach;

The Head Start Program (Economic Opportunity Act of 1954, as amended, Section 222 (a) (1), which operates only through a central planning agency, but not necessarily with substantial governmental control or sponsorship.

2. *Actions that would limit federal financial support to only selected public and private non-profit agencies (mainly excluding the private-for-profit providers):*

The comprehensive child development bills exclude from federal financial support private for-profit organizations, reducing the innovations and technology that may be brought into the industry and precluding firms from offering services that may not otherwise be provided.

3. *Action that impose ideal or "optimum" standards or limit the types of care provided.*

All of the pending legislative proposals either contain standards or direct that such standards be developed soon after enactment. No direction regarding the severity or freedom of such standards are generally imposed. Care must be exercised to insure that standards will allow the operation of a variety of types of day care providers under any delivery system.

The 1968 Interagency Day Care Standards are a good example of the failure of impractical guidelines to be enforced.

4. *Actions that could impose restrictions on what day care services a parent can utilize with his purchasing power.*

The Comprehensive Child Development approach has the potential to restrict the types of day care services available. Obviously, the parent can only make use of the services that the central planning agency either operates or authorizes.

Vendor payments under Title IV–A of the Social Security Act have the potential to restrict parental choice in the event any conditions are imposed regarding authorized vendors.

Any licensing or standards that are so restrictive as to prohibit certain providers that parents otherwise might use, substitutes the standards of others for parental choice.

Actions and Strategies Favoring a Centralized Planning Industry Model.

In contrast to legislative actions that would help promote a market oriented industry, numerous proposed legislative actions that significantly favor the development of a centrally planned industry. The following are examples:

1. *Actions that would create central planning agencies with decision-making power:*

All of the Comprehensive Child Development bills require the use of the central planning authority and prime-sponsorship approach.

The Head Start Program [Economic Opportunity Act of 1954, as amended, Section 222(a)(1)] operates only through a central planning agency.

2. *Actions that provide purchasing power (operating money) and authority only to central planning agencies to operate or purchase day care (as approved to providing it to parents):*

The Comprehensive Child Development approach,

The Head Start approach,

Any community action or parent-controlled requirement.

3. *Actions that would limit what services parents could purchase.*

The Comprehensive Child Development approach has the potential to restrict, the types of day care services provided. Obviously the parent can only make use of the services which the central planning agency either operates or authorizes.

Vendor payments under Title IV–A of the Social Security Act has the potential to restrict parental choice in the event standards are imposed regarding authorized vendors.

Any licensing or standards which are so restrictive as to prohibit certain providers which parents otherwise might use, substitutes the standards of others for parental choice.

5.5 Conclusions and recommendations for the nature of Federal involvement in the delivery of day care services

While we remain neutral on the policy decision of whether or not the federal government should increase its involvement in day care services, we definitely recommend that, if the decision is made to increase the level of involvement, that the increased involvement take place through the following programs:

1. a program of vouchers to place purchasing power for day care services under the control of and at the discretion of eligible parents;

2. a program of key-resource development, primarily operating through community development agencies.

The use of a Voucher System for the Federal Support for the Payment of Day Care Services.

The provision of purchasing power to the consumer may be accomplished through a variety of mechanisms—vouchers, vendor payments, income disregard, tax credits, and tax deductions. Competing arguments suggest the advisability of each. The decision to recommend the use of vouchers is based on three conclusions:

1. Income disregards, tax credits, and tax deductions are regressive in nature and may be taken advantage of only by persons with sufficient income or tax liabilities to make use of these devices:

2. Vendor payments seem often to be associated with related standards or conditions imposed upon eligible vendors and, hence, tend to limit a free-choice system.

3. Of all the available payment mechanisms the voucher imposes the fewest constraints and affords the greatest choice and ease of purchase of services to the consumer.

The specific payment device, however, is not the primary point in this recommendation. The significant recommendation regarding a voucher system is that the market model, as discussed earlier, be followed in federal policy for the actual provision and operation of basic day care services. The evidence presented earlier in this report is relevant to this recommendation in at least the following ways:

1. Little is known regarding what services are needed or what services are best for children; no ideal prototype for day care exists.

2. Parent preferences are diverse and not well known.

3. The majority of welfare mothers now work and pay something for day care services but families would benefit from additional day care purchasing power.

With these considerations in mind, the recommendation to follow the market model for the provision of services appears justified upon the following grounds.

1. A market industry will allow for the maximum freedom of choice by parents in selecting and using day care services, and the maximum variety of types of day care services.

2. A market industry will have the flexibility to allow the day care to develop and will place few barriers in the path of emerging and evolving patterns of day care and child development, while a central planning model will tend to establish and preserve a system.

3. A market industry will tend to produce the required day care services at a lower cost, since each service must attract consumers to stay in business; hence efficiency in the provision of desired services would be rewarded.

4. A market industry will minimize federal involvement in and standardization of the direct operating details of day care services, but it will still allow the federal authority a policy and decision role.

Key Resource Development Primarily Through Community Development Agencies.—Key resource development, in this context, means the provision of funds for planning, technical assistance, start-up costs, facilities, staff training, and so on. The recommended key resource development program is an important adjunct to the competitive market model. Many industries have received governmental subsidies and stimulation. The recommendation of this program merely takes into account the reality of the fact that pure market forces to not always operate freely to develop adequate supply to meet demand in an equitable manner. More specifically, supplying vouchers above—and thus greatly stimulating demand—will, in the short-run, make the current supply of day care insufficient. The prices charged for services will increase; centers will compete (for example, for directors) and thereby force salaries beyond normal limits. The result will be that the true value of the voucher (at any level) would be considerably reduced.

Hence, a program of key resources is necessary to help the market adjust to the new demand levels, without inflating prices unnecessarily. The logic of this recommendation especially prevails if the attempt is made to increase substantially the demand upon an industry, when past experience indicates that competitive industries have limited ability to respond rapidly to extreme change.

Another important reason for providing a key resource program is to help promote a diversity of services by those who would otherwise be unable to enter the industry. Limiting entry into the day care market to only those organizations or groups who have sufficient capital skill and experience will exclude many community groups or minority organizations from providing services, though parents may want just those types of services the community or minority groups might provide.

In the long-run, the recommendation for a key resource development program anticipates that in certain geographical areas, under certain economic conditions, in order to meet the needs of special population groups, and to otherwise ensure adequate provision of day care services, an additional development program is advisable.

A key resource program will facilitate the entry of new providers into the day care market and promote services that would not otherwise be possible and assure adequate day care in areas of special need. It must be noted, however, that key resource money is for initial entry only. After establishing the services, the provider must be able to attract consumers on the "open market" just as any other provider would.

It must be anticipated that some providers applying for and receiving key resources for initial start-up will eventually fail. Undoubtedly, some will misjudge the desirability of the service they intend to provide and will not be able to stay in business. Such providers must be allowed to go out of business—just as will providers who have not received key resource support.

The development of key resources need not be lodged in community development agencies for any inherent reason. Obviously, a federal agency or a state agency could be given the responsibility for developing resources for an emerging day care industry. On balance, however, this recommendation takes into account a variety of considerations that tend to indicate the policy of establishing a preference for community development agencies, broadly representative of the community, to carry out the function of key resource development. The rationale behind this recommendation includes the following points:

1. Key resource development will take place only under the special circumstances noted above. Knowledge of particular local conditions giving rise to special need is most likely to be present in a group representative of the community involved. It can generally be assumed that the more centralized the authority becomes, the less attuned that authority is likely to be to special and unusual situations occurring at the local level.

2. Key resource development will take place only when normal market operations have failed to provide an adequate supply of day care services. The logical assumption follows that something more than individual buying power is required. The decision to develop a particular type of resource or facility, in most instances, will affect more than a given individual. Collective wisdom and decision-making regarding such development seems appropriate, therefore, by the group representing the collective interests of the population to be served. On the other hand, our earlier comments regarding becoming too centralized and, thereby, making the collective decision unresponsive to local special needs also applies to this point and favors the local community model.

3. Placing key resource development in the hands of a person other than providers and operators of day care services provides an additional check against a provider-dominated industry, possible exploitation of the consumer by the industry, and the development of universally low-quality care in a particular area. This extra safeguard is particularly relevant in the areas of special need in which key resource development would be undertaken.

As noted earlier, the most important element of this recommendation is the establishment of a capacity for the development of key resources. The recommendation for preference to community development agencies in this function is based on a balance of the relevant factors involved, but is not thereby made a necessity of the program. In fact the program contemplates key resource development support through other means, if community groups do not respond to the opportunity. Key resource development is an important adjunct to the market model to ensure against any inadequacies that might arise in that system.

5.6 The impact of pending legislation upon the delivery of day care services

Any of the major legislation regarding day care and child development pending before Congress would significantly increase the demand for day care, the amount of day care offered, and the federal role in day care. Federal involvement at this level undoubtedly, will be the primary source shaping the future of the developing day care industry.

By applying the principles contained in this chapter to the approches found in pending day care legislation, and by using some of the knowledge of past experience in day care contained in this report, tentative predictions or probabilities concerning the future of the day care industry can be ventured. For example, the various comprehensive child development proposals currently pending contain delivery systems that are virtually central planning model in themselves. The welfare reform measures contained in the Social Security Amendments of 1971 call less conclusively for the central planning model, although Administration sources have indicated that substantial use of a central planning model for the delivery of day care services is contemplated. The comprehensive child development approaches have the additional philosophy, if not adequate resources at the moment, for the immediate provision of comprehensive child development services primarily in day care settings with emphasis on the example of Head Start.

Presumably, the characteristics of a centrally planned industry, as discussed earlier, can be expected to arise in the event of the passage of one of the comprehensive child development bills. However, with the priorities for economically disadvantaged children and children of working parents, plus the emphasis in the Administration's welfare-reform package on children of working parents, the opportunities for selectivity and comprehensiveness may be reduced in practice. Also, the central planning model under any proposal has the potential—but in the past not the propensity—to steer a course different from the provision of highly uniform, centrally located services.

In spite of the priorities contained in the various pending legislation, the central planning agency will be faced with allocation problems.

These possibilities or probabilities appear to apply equally in the event of the passage of the Administration's welfare-reform package, should the Administration decide to move to the heavy use of a central planning model for the provision of child care services. Under this legislation, however, the likelihood of a selective, highly developmental service system is virtually eliminated, in terms of both philosophy and limited resources. This legislative program has a greater potential for steering away from the central planning model. To the extent day care under the Social Security Amendments of 1971 manages to avoid central planning, a greater likelihood exists that some of the advantages of the market model, as well as the disadvantages, might be realized.

As indicated earlier, a key adjunct to the operation of the market model is a program for key resource development. This pending legislation may not adequately meet this need; the exact need for added key resources for the day care industry is difficult to predict. Certain funds for construction, research, and such, would be available under this proposed program. However, latent demand may go unmet without sufficient funds or a sufficient system to uncover special needs of special areas and populations. Similarly, the entry into the industry of certain kinds of providers may be effectively prevented unless the necessary start-up costs, loans, and other resource development mechanisms are adequately provided.

These considerations are but a few of the predictions that could be made. Nevertheless, they appear to constitute the major impacts that might occur in the event of the passage of some of the pending legislation. The general tendency towards the central planning model is clearly indicated. The principles enunciated earlier regarding the advantages and disadvantages of this model can be assumed to be likely results. Movement of any of these proposals toward the market model would garner at least some of the advantages of that system.

6.0 IMPLEMENTATION

Our recommendations concerning federal expansion in the field of day care are neutral; and we favor, for the present, only research and development in the field of child development. In this report we suggest and discuss the advantages and disadvantages of the alternatives available to the federal government regarding further involvement in day care, but we do not attempt to answer the basic policy questions. Such decisions, whether or not to launch a new or expanded day care program and what the purposes and objectives of such a program might be, must be made by the federal government.

The recommendations for implementation that we make in this section will be applicable only when the basic policy questions have been decided. We present these recommendations for implementation to complete the potential usefulness of the report should the federal government proceed in the areas of day care and child development programs; our extended discussion is not an indication of a recommended policy decision regarding day care. Our recommendations concerning the implementation of a program of research and development in child development concern only that program; we make no recommendations regarding any other form of federal involvement in child development at this time.

In section 6.1 we present the guidelines for legislation which, if enacted, would bring into being a day care and child development program in a manner we would recommend should the federal government decide to expand its involvement in these areas. In section 6.2 we present alternative forms of implementation of the proposals through suggested amendments and modifications of the pending day care provisions in the proposed Social Security Act Amendments of 1971 and pending child development bills.

In the following presentations we are dealing with the essential elements of our proposed program and modification of other pending pieces of legislation. In doing so, we hope to increase the usefulness of the materials by presenting our implementation recommendations in substantial detail. This attempt, however, does not reach the proportions of technical legislative draftmanship. The reasons for many of the guidelines are self-evident. In instances where explanation is thought to be useful or necessary, statements of rationale are provided.

The Objectives of the Recommended Program.—The recommendations of the Policy Studies Group have been set forth in substantial detail in the preceding portions of this report. For the purposes of summation and organization, a brief statement of the major proposals of the research is presented here.

The first major proposal is the establishment of a program for the provision of work-related basic child care primarily through the use of a federally administered voucher payment system. The program would be housed in an agency of the Department of Health, Education, and Welfare or the Department of Labor.[1] The program would be designed to serve the children of parents on welfare and the working poor and near poor who are participating in work-training or employment or related activities. A voucher system would be utilized to build a delivery system characterized by two major features: a maximum of parental choice and the maximum development of a competitive industry that would involve both profit and not-for-profit providers.

The second basic proposal would establish a program for the development of key resources and technical assistance for day care providers. This program would also be housed in the Department of Labor or that of Health, Education, and Welfare[1] and would concern work-related day care. The program would develop such key resources as, for example, facilities and staff, when geographic, social, economic, or other conditions indicate a need for assistance in the development of an adequate system of day care services. In this development phase of the overall system, preference would be given to community groups seeking to provide assistance for the development of the day care industry in under-served areas and for under-served population groups. These com-

Footnotes at end of article.

munity groups or councils could be composed of parents, interested citizens, government officials, and other appropriate parties. It would be mandatory that the group be composed of a majority of parents. The use of such resources, however, would still be up to the voluntary selection of parents through the expenditure of vouchers. In no event would these community groups be involved with the actual provision of day care services, only in the development of resources.

The day care thus provided would be designed to replace all work-related day care currently provided under, or to be provided through, the AFDC program, the WIN program, the recently enacted Talmadge Amendments to the Social Security Act, the pending Social Security Amendments of 1971, and the pending comprehensive child development bills. Our proposals, however, are not directed at the existing system for the provision of non-work-related day care. (For example, our suggestion that child care services under the AFDC program be repealed does not refer to special day care provided by welfare agencies that are unrelated to work training, employment, and related activities. For another example, under the Social Security Act Amendments of 1971, our recommended program would not change the day care provided through the "Family Assistance Plan" for welfare recipients who would not be required to register or accept training and employment; our proposals would affect only those individuals required by the "Opportunities for Families Program" to register and accept training and employment and those employed near-poor with incomes up to $8,000 per year.)

The third essential recommendation would establish a legislatively mandated Office of Child Development. This office would engage in a substantial program of research, development, and demonstration projects, as well as in experimental and evaluation programs, in a variety of areas of inquiry related to day care and child development. The broad purpose of this research would be to answer the multitude of important questions that must be answered prior to the development, enactment, and implementation of a nationwide comprehensive child development program. This office would appear, logically—but not necessarily—to be part (or under the jurisdiction of the Department of Health, Education, and Welfare).

The program would be substituted for the existing Head Start Program, but with important distinctions: The new program would consider a variety of delivery systems, variations in program content, alternative settings, and methods of child development. The program would attempt to build on the early efforts of Head Start and similar child development programs, but in no way would be obligated to accept the features of those programs.

Legislative Scenarios.—Three basic legislative strategies can be considered for the eventual enactment and implementation of our Policies Study Group recommendations. The advisability of each of these strategies will have to be evaluated against the political and legislative environment of the given moment.

The first approach would be to seek the introduction and passage of a bill, as yet to be written, conforming to the legislative guides presented in the section 6.1. The enactment of such legislation could be sought either prior to the enactment of pending child care legislation or in addition to, or replacement of, any current or future laws.

The second strategy involves the pending Social Security Act Amendments of 1971 (H.R. 1). The recommendations implicit in the legislative guidelines presented in 6.1 could, if technically completed, replace the current work-related child care provisions of H.R. 1. We know that a total incorporation of our recommendations may not be feasible or desirable; we provide in section 6.2 recommended modifications and additions to H.R. 1 that would include our proposals in that welfare-reform package. Of course, the option exists at any time after the passage of H.R. 1 in its current form to enact legislation repealing the work-related child care provisions of that law and replacing them with provisions similar to our recommendations.

The third legislative strategy (also presented in 6.2) would be the possible modification of one or more of the comprehensive child development bills pending in Congress. This option presents less flexibility because the proposed comprehensive programs have less in common with our recommendations. Nevertheless, the proposed modifications and additions would improve the current comprehensive approaches and would adequately incorporate our principal recommendations for a child care and child development industry. In the instance of this strategy, it is more important that modifications be made prior to enactment of the pending legislation; a different course of action from the one proposed here would rapidly be pursued upon passage of one of the comprehensive child development bills.

6.1 Legislative guidelines for a recommended Federal day care and child development program

Title I: A program for the Provision of Work-Related Basic Child Care and the Use of a Voucher System.

1. The Secretary of the Department of Labor (hereinafter the Secretary) shall be authorized to provide basic day care to all children younger than 15 years of age in need of such care due to the participation of one or both of the parents of such children in work training or employment if such family qualifies for income maintenance assistance under federal law or qualifies as "near poor," as defined herein.

2. For the purposes of this program, "near poor" shall mean all families with incomes of less than $8,000 per year.

Rationale: This definition was selected as an estimate for the purposes of analysis of costs, fee schedules, and so on, and should not be considered a firm specification.

3. The Secretary shall determine within the Department of Labor the appropriate existing or new agency to administer the basic day care program established herein.

4. Adequate day care under this program must ensure the protection, safety and well-being of children.

Rationale: The Policy Studies Group recommendations separate the function of the provision and development of basic day care services from the provision of more comprehensive child development, the latter to be provided through a substantial research and demonstration program. The two programs will not necessarily operate in isolation but the required responsibility in the basic voucher program extends only to adequate care.

5. The Secretary shall have the authority to issue and redeem vouchers for the payment of day care services, in conformance with the purposes and provisions of this legislation.

6. Vouchers for day care services in an amount up to $400 per child per year shall be made available to eligible parents; the Secretary may redeem these vouchers only for day care services provided for a fixed fee up to a maximum of $400 per child per year.

Rationale: A policy decision regarding voucher amounts must be made among the alternatives analyzed in prior sections of this report. This amount is used here because it represents a minimum meaningful amount for day care services, but it should not be considered as a recommendation of the Policy Studies Group. Cost-plus charges are excluded because they tend to be inflationary and to inhibit a competitive market.

7. The Secretary is authorized, but not required, to develop a schedule of reasonable allowable fixed fee charges for day care based upon such considerations as average costs in geographic areas or economic areas, patterns of provision of day care, the relationship of the provider to the parent or child, and other determinants of the economic relationships among the parties; and to utilize such cost schedules in the determination of the amounts of vouchers for distribution and redemption.

Rationale: Varying prices according to geographic regions, economic conditions, and so on will help to stimulate the industry and ensure the provision of adequate child care. The intent of this provision is to ensure equality in buying power.

8. The Secretary is authorized, but not required, to develop a sliding scale for the value of vouchers distributed dependent upon such considerations as the income of the family, the number of children in the family, and other considerations of equity between and among participants in this program.

Rationale: A correctly designed sliding fee scale will minimize "notch effects" and other inequities in payment for day care services. The details of this schedule must take into account budget restrictions, economic conditions, and other variables that may change over a period of time and to which a fee schedule must adapt. The Policy Studies Group tentatively has suggested, as a point of reference, vouchers of $400 per preschool child for families with incomes up to $3,999 per year; $200 per preschool child for families with incomes up to $5,999 per year; and $100 per preschool child for families with incomes up to $7,999 per year; lesser amounts would be allowed for school-age day care. Decisions regarding the amounts of voucher and sliding-scale payments or contributions must be made by policy makers and administrators, and our tentative suggestions are not intended as recommendations.

9. The Secretary shall have the authority, in specific cases where good cause has been shown for such variance in order to protect the well-being of the child or children involved, or to prevent fraud, to institute other forms of payment for day care as he may deem appropriate; these forms of payment should include, but are not limited to, vendor payments, third-party control of vouchers, and so on. Such alternative forms of payment shall not exceed amounts in excess of those authorized for voucher payments.

Rationale: The intent of this provision is to provide authority to the Secretary, similar to that granted under the current welfare system, to make protective arrangements in cases of misuse or fraudulent use of vouchers. The authority to interfere with the voucher system for other reasons is not granted, nor is the Secretary granted the authority to use other systems in lieu of the voucher system except as would be stipulated by this provision or in connection with research and demonstration projects under Title III of this proposal.

10. The Secretary shall be authorized to make special monies available, through increased payment amounts, not to exceed a 25% increase in the maximum voucher amounts, when necessary to ensure the availability of day care that adequately meets the basic needs of children of racial and ethnic minorities, bilingual families, and children with physical, mental and emotional problems requiring special attention in the day care setting.

Rationale: The principle of equity underlying this proposal requires similarity of treatment to children in like circumstances. That principle is not violated, and the needs of children are best served, by recognizing that some children will require extra help just to receive equal care. The authorization is not intended to allow entrance into the child development area but only to provide remedial assistance in the form of special transportation, special personnel, and so on, which will allow children with special needs to participate in the basic day care program.

11. Vouchers shall be issued to eligible parents to be used for the payment for day care services selected at the sole discretion of such parents; except that parents may not redeem vouchers for day care provided by themselves for their own children, nor for reciprocal day care provided to avoid this exception. This exception shall not apply to parents who are employees of day care centers in which the parent has no financial equity.

Rationale: Parental choice is one goal of this program, but a child-allowance or increase in basic welfare grant levels through the use of vouchers is not intended. Thus, this provision is designed to preclude parents from claiming to operate as family care providers for their own children, redeeming their own vouchers, and effectively increasing their grant level without altering their work-related circumstances. If a policy of child allowances or increases in grant levels is to be accomplished, it should be done directly and equitably. The trading of child care responsibilities in order to cash vouchers should likewise be avoided. The same considerations do not apply when the parent is a bona fide employee of a center in which the parent has no financial equity and which redeems that parent's voucher.

12. The Secretary shall not interfere with parenthal discretion except upon the receipt of substantial evidence that intervention is required to protect the physical, mental, or emotional well-being of the child or children involved, or to prevent fraud.

13. No parent shall be required to use current or future publicly owned or operated day care facilities or programs.

14. The Secretary of Health, Education, and Welfare shall make available to this program child care facilities and other child care assets which have been developed under his control and jurisdiction and are no longer required to meet HEW child care responsibilities.

Rationale: As with all of these points parental choice is the primary principle insured. Existing HEW and other public facilities and programs should not be retained in violation of this principle but certainly should be used when meeting a demand.

15. Parents have the option to use vouchers for the payment of day care services in both licensed facilities and facilities for which no licensing controls are imposed, except that a specific provider or facility may be declared by the Secretary as ineligible for the redemption of vouchers under this program when such declaration is necessary to protect the physical, mental, or emotional well-being of a child or children.

Rationale: Prior approval of all providers appears impractical at present. However, a regular system of quality assurance should be instituted. When inadequate providers emerge, mechanisms should exist to prevent their continued participation in the program.

16. All public and private, profit and nonprofit individuals, agencies and organizations are eligible providers of day care services.

17. The Secretary must establish procedures in connection with work registration and the distribution of vouchers, and as he may otherwise determine, for the dissemination of complete information to parents regarding available alternative day care services in the community and the rights of the parents to the use of and choice among such services.

Rationale: Free choice by parents requires information regarding alternative choices and rights surrounding the exercise of choice.

18. The Secretary shall make maximum use of state and local Department of Labor agencies currently in existence for the distribution and collection of vouchers and for the dissemination of information.

19. The Secretary shall provide for adequate procedures to ensure against the fraudulent redemption of vouchers through periodic and sample visits to day care facilities; he should place particular emphasis upon visits to unlicensed providers.

Title II: Key Resource Development and Technical Assistance for Day Care.

1. The Secretary shall make special funds available through either or both grants and loans and, through such other means as the Secretary at his discretion may deem appropriate, to assist the development of key resources when special needs of various target populations, special geographic areas, or special economic and related considerations necessitate such assistance.

Rationale: The effect of this program would be to establish a network of "Day Care Development Councils" throughout the nation to ensure the evolution of a child care industry that would adequately meet the needs of eligible children and the purposes of a developing program. The purpose of the key-resource development supplement to the market-industry model is to assist and assure adequate supply when special conditions prevent the usual rules of supply and demand from operating. The intent is not to build a universal system to supply providers with federal day care resources.

2. Assistance with key resources shall not be provided unless the Secretary determines that private or other public funds are not available to meet the need for the development of a day care industry in the location indicated.

3. "Key resources" under this section shall be deemed to include planning, technical assistance, staff training and development, facilities including construction and rental, equipment and materials, start-up costs, and related items.

Rationale: When a market system does not respond to the demands and choices of individual demands, the Secretary will need assistance at the local level to determine and understand the special needs that must be met to assure the delivery of adequate day care in the area. Local groups under procedures and regulations as the Secretary shall provide, can best determine and meet the resource needs of the community.

4. The Secretary, subject to the next following provision, may accept applications and provide funding for key resources from any public or private not-for-profit agency or organization; but no such agency or organization receiving key-resource development shall be an operator or provider of day care services.

5. The Secretary shall give preference, both nationally and when competing applications for a particular location are present, to the community development group that the Secretary deems most likely to reflect the wants and needs for key resources in underserved areas and within under-served population groups.

6. The Secretary, by regulation, shall establish the requirements for qualified community development groups that shall include at least the following: representation of a population area of a minimum of 100,000; a majority, within the group, of parents using or likely to use the child care services provided under this program; a group that is widely representative of the racial, ethnic, economic, and social makeup of the geographic area requiring key resource development; some expertise within the group or available to the group to carry out the planning and other responsibilities which might be entrusted to it under this program.

7. The Secretary shall have the authority to reject all applications for key resource development in an area and to provide key resource development directly when according to criteria the Secretary shall establish, the best needs of the area would not be met by any existing applicant.

8. The Secretary shall not engage in the direct operation or provision of day care services, but the Secretary shall have authority to increase the value of vouchers, the availability of key resource fundings, and provide other incentives to encourage the development of day care in locations and situations encountering maldistribution of services.

9. In providing staff and staff training through key resource development the Secretary shall place particular emphasis upon the training and employment of the elderly, the younger population, the economically disadvantaged, and the parents of children participating in the day care program.

10. The Secretary shall proceed to recover return on loans of money, equipment, facilities, or other goods when such items have been exchanged on a loan basis; but the Secretary shall make no other provision for the partial or total matching of funds or other goods by any state or local governmental body or any public or private provider of day care.

11. The Secretary shall, through the key resource program, provide research and technical assistance to state and local regulatory agencies regarding the development and enforcement of day care and child development licensing and standards.

12. Notwithstanding any state law or regulation to the contrary, the Secretary shall have the authority to implement the purposes and provisions of this legislation. State law and regulation that does not interfere with the purposes and provisions of this legislation shall govern the operation and development of all day care and child development services.

Rationale: State standards, regulations, licensing, and other controls, can provide valuable assistance to a federal program. Substantial barriers at the state level to the fulfillment of federal goals and purposes should yield to the higher federal authority present in this situation, according to the normal principles of federal-state relations. This issue and authority is complex in nature and, as a matter of policy and administration, must be meticulously specified and clarified in final legislative language.

Title III: Research, Development, Demonstration, and Evaluation in Child Development.

1. There shall be established under the Secretary of Health, Education, and Welfare an office to be known as the Office of Child Development (hereinafter OCD)[1] for the purpose of carrying out research, development, demonstration and experimental projects, and evaluation in the areas of child care and child development.

Rationale: This office shall carry out only research and demonstration; the purpose of the effort is to answer questions prior to a comprehensive child development program, not to institute such a program.

2. OCD through the provision of grants, loans, and other appropriate financing mechanisms, shall fund special projects designed to expand knowledge concerning the methods, administration, substance, and need for child development.

3. OCD shall not fund any project that does not contain a substantial element of research, or development, or demonstration, or experimentation, or evaluation.

4. Parent or community involvement in such projects is to be permitted and encouraged for the purposes of experimentation, research, and development but shall not be required.

5. Children in families who are not poor or near poor and children in families with non-working parents may be included by OCD for participation on a voluntary basis when necessary to effectuate the purposes of this program, provided that the parents of such children be required to pay all or a portion of the costs of services so received.

6. The participation of parents or children in any such project must be on a strictly voluntary basis without any interference

Footnotes at end of article.

with the parents' exercise of discretion in the selection of day care for their children or in their right to receive vouchers in preference to other payment mechanisms.

7. OCD shall have the authority to conduct research through the use of its own staff or by grant or contract with any governmental or non-governmental agency or organization.

8. OCD may receive, at the discretion of the Secretary of Labor, permission to increase or decrease voucher amounts or the amounts of other payment mechanisms, and to exempt certain providers from key resource development and other regulations for the purposes of carrying out OCD projects; but in no event shall such variance be sought under circumstances that may endanger the physical, mental, or emotional well-being of a child or children involved.

9. Appropriate areas of research and other authorized activities for the projects of OCD shall include, but shall not be limited to, at least the following:

Alternative delivery systems for child development services that include, but are not limited to, the day care setting;

Benefit/cost analysis of alternative day care and child development settings and arrangements;

Substantive inquiries into the areas of social and cognitive effects upon children from various day care and child development programs;

The appropriateness of day care and other child development settings for the provision of health and nutritional services;

The accumulation and dissemination of existing knowledge regarding health, nutritional, educational, and other problems of children;

The development of methods for the enforcement of quality assurance in day care and child development services;

The effects of parental education on child development;

The alternative uses and values of parent participation in planning and operating day care and child development programs;

Methods of training and developing staff for day care and child development programs;

The ability and reliability of consumer versus professional choice in matters related to day care and child development;

The development of descriptors or indicators of children's needs according to their family characteristics;

Methods of producing and disseminating information to parents regarding child care, child development, family planning, and related subjects.

10. On or before June 30, 1974, OCD shall submit to the Secretary of Health, Education, and Welfare; the Secretary of Labor; the President; and the Congress a report that shall describe the results and findings of its research, development, demonstration, experimental and evaluation efforts, and present recommendations regarding federal policy and programs in day care and child development specifically including findngs and recommendations regarding:

The effectiveness of alternative delivery systems for day care and child development;

The feasibility and advisability of extending day care and child development vouchers to additional income groups and non-working parents;

The effectiveness of child development services provided in the day care settings.

Title IV: Miscellaneous Provisions.

1. For the fiscal year ending June 30, 1973, the appropriation for Title I of this legislation shall be such amount as may be necessary.

2. The appropriaton for the fiscal year ending June 30, 1973, for Title II of this legislation shall be $75 million, plus such amounts as may be necessary to guarantee mortgages and loans up to a value of $50 million.

3. The appropriation for the fiscal year ending June 30, 1973, for Title III of this legislation shall be $360 milion.

4. For the fiscal year ending June 30, 1974, the appropriaton for Title I of this legislation shall be such amounts as may be necessary.

5. No new funds shall be appropriated for the fiscal year ending June 30, 1974, for Title II of this legislation, but unused funds appropriated for this title in the previous fiscal year may be expended.

6. The appropriation for the fiscal year ending June 30, 1974, for Title III of this legislation shall be $360 million.

Rationale: To be consistent wtih a universal voucher system for the eligible population, the appropriations for Title I must be open-ended. In the analysis of the Day Care Policy Studies Group an estimated $863 million per year would be necessary to provide vouchers to the currently eligible population (we must emphasize, however, that this estimate is based upon *minimum* voucher amounts that we suggest *only* as reference points). The appropriation for Title II is, in fact, a two-year appropriation designed to ensure a flexible key resource development program. For example, the first year should not be limited to planning if some construction might already be deemed advisable. The entire two-year amount reflects an estimation of the cost of providing needed key resources to the entire population. The total amount is the sum of the following specific estimates:

Planning and technical assistance, $25 million;

Facilities, $75 million (plus funds to guarantee loans and mortgages up to $50 million);

Training, $25 million;

Equipment and start-up costs, $25 million.

The Title III appropriation approximates the current Head Start budget plus the current research funds available to the existing Office of Child Development; the two budgets have been combined only to give an estimate of the possible budget for the research and demonstration program presented in this proposal.

7. The child care and child development provisions of Title IV–A and IV–C of the Social Security Act, as amended, are repealed to the extent they involve families involved in working-training, employment, and related activity programs.

8. The provisions of this legislation shall in no way interfere with current Title IV programs for day care and child development for families not required to register or participate in work-training or employment or other related activities.

9. The Head Start program, Economic Opportunities Act of 1954, as amended, Section 222(a)(1) is repealed.

6.2 Recommended modifications and additions to the child care provisions of major pending legislation

Social Security Amendments of 1971 (H.R. 1).—As discussed earlier, there are a number of legislative options for the incorporation of proposals into the eventual H.R. 1 program. A bill incorporating our recommendations could be amended, in total, into H.R. 1 in place of the current work-related day care provisions contained therein. If the provisions of H.R. 1 pass intact, the recommendations of this report could be enacted at a later date, to replace such provisions as enacted.

Again two important points need emphasis. First, the focus of our recommendations is upon work-related day care. Consequently, the recommendations deal with the day care provisions of the Opportunities for Families Program and treat the provision of the Family Assistance Plan only to the extent that they affect work-related programs. Second, our discussion attempts to treat only the essential or key features of our proposals in contrast to the H.R. 1 legislation. Complete legislative proposals or amendments require additional drafting.

The comparison is presented in section-by-section analysis and comment. The significance of the recommended modifications will be apparent in relation to the more comprehensive guidelines already presented in this chapter.

WORK-RELATED DAY CARE COMPONENTS OF H.R. 1 AND DISCUSSION OF MODIFICATIONS

1. Under H.R. 1, the Secretary of Labor is charged with the responsibility of providing child care services for individuals required to register for work and training under the OFF program. The care contemplated is adequate protective and safe care, but not comprehensive developmental services.

Discussion: This provision conforms to the Policy Studies Group (PSG) recommendation for the lodging of the work-related child care program in the Department of Labor. PSG recommends this procedure whether or not mandatory work requirements exist. Similarly, the level and content of the required care conforms to the PSG proposals. PSG would recommend that a specific agency within the Department of Labor be designated the responsibility for the provision of basic child care and other related matters which will be subsequently discussed.

2. The Secretary is authorized to arrange for and purchase day care from any source with a priority for the utilization of facilities developed by the Department of HEW. Where HEW facilities are not available, the Secretary may procure day care from any public or private source.

Discussion: Regarding these provisions, PSG would make several recommended amendments. First, a voucher system should be established as the priority means for arranging and purchasing child care. The use of HEW facilities should not interfere with the free choice of parents nor the free operation of a developing competitive industry. In other words, federal facilities, like any other private or public facilities, if unwanted, should be phased out of operation. These facilities certainly should be made available to the Secretary for his use and for use by the research and development arm of the total child care program. All public and private agencies or other persons are appropirate providers of day care services under H.R. 1 and PSG guidelines.

3. The Secretary of Labor is prohibited from using funds for the construction of facilities. $50 million is specifically authorized to the Secretary of HEW for the purpose of construciton of facilities.

Discussion: While construction is a prohibited activity for the Secretary of Labor, presumably the remaining functions of key resources development are available to HIM. PSG recommends that the construction authority and a more substantial bulk of funds for the entire key resource development program be lodged in the same office charged with the responsibility for the payment mechanisms for child care. The key resource program should explicitly be made a separate program with its functions explicitly listed in the legislation and with separate appropriations for its operation.

4. The Secretary has the authority to operate the child care program through community groups appointed by appropriate local officials. To the extent appropriate, the Secretary is to provide school-aged child care through local educational agencies.

Discussion: PSG recommends that the function of these community groups be limited to the development of key resources. The attempt to develop a competitive child care industry through the primary vehicle of a voucher system is incompatible with a council-type, local authoritarian control over the actual delivery of child care services. PSG recommendations also suggest that these provisions should be modified to eliminate the preferences for officially designated central groups and local education agencies. These groups should be allowed to apply competitively for designation as local, key-resource-development community agencies.

5. The Secretary is authorized to devise and implement a sliding fee scale. The Secretary is further required to substitute an income-disregard procedure for reimbursement for child care services to the working welfare population.

Discussion: The development of sliding fee scales conforms to PSG proposed program. The use of income-disregard as an alternative to direct voucher payments should be eliminated, except in regard to experimental programs. The income-disregard as a means of payment has maximum and minimum income limits; this makes it an inadequate provision for certain family groups. Similarly, the possibility of delays in the reimbursement of income-disregard can result in the unavailability or inadequacy of day care under certain circumstances.

6. At least 50% of the funds available to the Secretary are to be expended according to a formula based upon the number of mothers registered in various states.

Discussion: PSG recommends that once a voucher system has been installed into this program, such things as formulas of this nature will not be required. A voucher system necessarily distributes funds among states or regions according to the number of parents in work and training. The number of persons registered for work does not conform to the number of persons in need of child care due to their involvement in work training employment, and related activities. Additionally, no limit is placed on the price that the Secretary should or could pay for child care services. The Secretary should be given authority to pay up to $400 per year per child for day care, except under unusual circumstances where additional payments are necessary to take into account the special needs of certain population groups, and for experimental purposes.

7. The Secretary is authorized to carry on a small program research and development.

Discussion: PSG recommends that a small program for the Secretary of Labor be continued, but that the child care provisions of H.R. 1 be amended in a manner including both the Opportunities for Families Program and the Family Assistance Plan to establish in HEW an Office of Child Development. This office will carry out a large-scale research, development, demonstration, experimentation, and evaluation program in the areas of child care and child development. This program would replace the existing Head Start program with a broader experimental approach to a wide variety of operational means and methods for providing child development on a national scale.

8. $700 million is appropriated for the provision of all day care services (under both the Opportunities for Families Program and the Family Assistance Plan) with an additional $50 million allocated specifically for construction.

Discussion: PSG recommends that the legislation be amended to authorize specifically that three separate activities be funded in their first two years of operation. The amounts of such appropriations, the rationale by which they were estimated, and the specific estimated allocations can be found at the end of section 6.1.

Recommended Modifications and Additions to Pending Comprehensive Child Development Legislation.

Legislation has recently been introduced in the Congress proposing national comprehensive child development programs. Many of these proposed bills are similar to the comprehensive child development programs considered in the last session of Congress. One bill eventually passed Congress but was vetoed by the President. Title V of the Economic Opportunity Amendments of 1972 (S. 3193) recently introduced by Senators Nelson and Mondale contains a proposed comprehensive child development program. Senator Javits has introduced a separate comprehensive child development bill (S. 3228). All of these bills are very similiar even to the extent of much identical language, as are a number of bills in the House of Representatives.

The "comprehensive child development" legislation is substantially different from our proposed approach to the operation of day care and child development programs. As demonstrated below, the contemplated activities in the areas of resource development and research and experimentation are more compatible. Because of the substantial differences of approach in some areas, the strategy of suggesting legislative modifications and amendments must be pursued prior to enactment, since following enactment a program substantially at variance with our recommendations would rapidly develop.

The description below sets forth key provisions generally contained in comprehensive child care bills and constrasts them to our guidelines, in the same manner as used in an analysis of H.R. 1. The same caution would likewise apply: we are not attempting to present a technically complete legislative draft or analysis.

COMPONENTS OF PENDING COMPREHENSIVE CHILD DEVELOPMENT LEGISLATION AND DISCUSSION OF MODIFICATIONS

1. The comprehensive bills generally place responsibility for all aspects of child care and child development in an Office of Child Development in HEW.

Discussion: This office should have authority only for a substantial research and development program prior to the enactment of a massive child development program. PSG recommends that work-related day care be transferred to the responsibility of the Secretary of Labor where the work-registrants will be located, and that non-work-related day care not be part of any presently enacted program, but be left in the Department of HEW and currently existing programs such as Title IV–A.

2. The comprehensive approach stresses the need of all children for child care and development services with preliminary emphasis and priority given to certain racial and economic groups, the economically disadvantaged children of working parents, and preschool children.

Discussion: In practice this approach may not differ substantially from the emphasis PSG recommends. However, these provisions should be amended to indicate that emphasis and priority shall be given to the children of working welfare parents and near-welfare parents, with special emphasis and funding available to special target group populations having unusual needs. Since PSG recommendations primarily relate to basic day care, with child development services to be developed through a research and experimentation program, no emphasis on preschool children should be included.

3. Under these proposals, both operational and resource development would be carried on by local child care council under the auspices of a governmental body, or combination of governmental bodies, as prime sponsors. These councils would represent population groups of 25,000 (Javits) or 50,000 (Nelson-Mondale). These councils, through planning, development, and operations, would control all aspects of federally supported day care and child development in a location. The areas of activities of these groups both in terms of content and function are extremely comprehensive.

Discussion: The provisions relating to these councils should be amended to limit their function to the development of key resources for a day care industry in their location. These councils, broadly representative of the community, should be released from necessarily being under the sponsorship of a governmental agency and necessarily being comprised of a large number of public officials. The size of the representative population should be amended to 100,000. Any authority to directly provide day care child development services should be deleted. The authority to provide basic day care services should be granted directly to the Secretary of Labor, who will implement the services through a voucher mechanism.

4. States are required to provide central planning and coordination services and permitted to act as prime sponsors in instances where smaller governmental units have not assumed that role.

Discussion: Any mandatory or preferential role for states should be eliminated. States and other units of government could be key-resource developers in the event that, in competition with other applicants, designation of such governmental units or the councils that they support, is made by the Secretary.

5. The first year of operation of these programs would be limited to $100 million in planning and set-up costs. A research and demonstration component is built into these programs for subsequent years.

Discussion: These functions should be divided among key-resources developers and an Office of Child Development in HEW. Planning and technical assistance would be carried out through the Department of Labor and key resource development councils. The research and demonstration component in OCD should be substantially increased to replace the current Head Start Program in operating a comprehensive program for the development of experimental programs designed to lead eventually to recommendations for a national comprehensive child development program. The operational aspects of a basic day care system should not be delayed during a one-year planning phase.

6. Funding priorities are established for certain minority groups and funding among states and prime sponsors would be based on percentages of such populations along with percentages of the economically deprived, the number of working mothers, and so on.

Discussion: PSG agrees with the recommendations as to the need for or advisability of such funding priorities, at the discretion of the Secretary, in connection with the program and projects of the recommended OCD. In regard to the provision of basic day care services, the proposed voucher system, if incorporated into this legislation, would necessarily distribute the funding for work-related day care to the appropriate parents. The key resource development program contained in the recommendations, if implemented through this legislation. would take into account these same priorities.

7. The comprehensive child development legislation provides that families receiving any amount of welfare subsidies shall have no

charge for day care and child development services, while families exceeding the welfare breakoff point shall pay for services on a sliding fee scale up to a maximum income of $6,900.

Discussion: PSG recommendations place these decisions in the hands of the Secretary of Labor. PSG recommends that a sliding fee scale be established.

8. The various alternatives of this type of legislation provide $100 million for planning in the first fiscal year of operation, and $1.2 to $1.5 million for the provision of services in the second year of the operation of the program.

Discussion: PSG recommends that the legislation be amended to authorize specifically that three separate activities be funded in their first two years of operation. The amounts, rationale, and specific estimates of such appropriations are presented at the end of section 6.1.

NOTE: CHAPTER ONE

Note 1—Day Care: Solution to the Welfare Problem?

Gilbert Steiner states in relation to one social force, the welfare problem, ". . . after a few years it will inevitably be discovered that work training and day care have had little effect on the number of welfare dependents and no depressing effect on public relief costs . . . the more realistic approach would be to . . . reject continued fantasizing about day care and welfare as miracle cures." (Steiner, 1971.)

NOTES: CHAPTER 2

Note 1—Status of the Day Care Industry

The primary sources of data for this chapter are two national surveys, *Child Care Arrangements of Working Mothers in the United States* (Low and Spindler, 1968) and *Day Care Survey—1970* (1971). The first reports a special census survey of working mothers undertaken early in 1965. Questions were asked nationwide in sample households in which the mother had worked at least 27 weeks during 1964 and who had at least one child under 14 years old living at home.

Day Care Survey—1970 was the first national study of existing day care provisions. This survey provided extensive information about day care centers and the arrangements utilized by families with annual incomes under $8,000 and at least one child under 9.

Both of these studies also have limitations. The data presented in *Child Care Arrangements of Working Mothers in the United States* is now seven years old. *The Day Care Survey—1970* does not include data for family day care homes comparable to that for centers nor information about arrangements utilized by families with annual incomes above $8,000. Also, the sample size was small and inferences, especially for subgroups of the populations, must be made with caution.

Note 2—Day Care Expenditures and Their Sources

To obtain a general picture of the amount of money spent annually for child care, estimates of the expenditures by working mothers were added to estimated federal expenditures. Estimates of the amount of money spent by mothers was determined by estimating expenditures of working mothers for care in 1965, $975,725,000 and inflating this by 20% to take account of the increased numbers of mothers working in 1970. The estimated 1970 total is $1,167,270,000.

Note 3—Revenue from Day Care

Estimated based on .7% of $220 million, total annual revenues for proprietary centers and 34.5% of total revenues $320 million for nonprofit centers, these figures are $1,540,000 and $110,400,000 totaling $111,940,000 of the $229 million annual federal expenditure.

Note 4—Estimated Annual Per Child Costs of Child Care Services (preschool and school age)

See Tables N4a and N4b on following pages.

Note 5—Variations in Cost Estimates

Estimates of day care costs may reflect two biases. Some estimates may be weighted in favor of the inclusion of all child developmental services on theory that these are required for the adequate care of children, especially disadvantaged children.

TABLE N4a.—ESTIMATED ANNUAL PER CHILD COSTS OF CHILD CARE SERVICES (PRESCHOOL)

Service level	Family day care			Center			
	OCD revised minimum [1]	OCD child development [2]	OCD Comprehensive child development [3]	Survey minimum [4]	OCD revised minimum [1]	OCD child development [2]	OCD Comprehensive child development [3]
Staff:							
Child care:							
1:6 children	$615						
1:5 children		$880					
1:4 children			$1,100				
1:15 children				(5)			
1:10 children					$380		
3:20 children						$595	
4:15 children							$1,045
Secretary-bookeeper	None						
1:100 children		80	80		38	40	
1:67 children							60
Janitor	None						
1:100 children					38	40	
1:67 children							60
Cooks and aides	None						
1:50 children					76	114	(6)
1:40 children							
Social service	None			None			
1:150 children		44				65	
1:100 children			66				65
Community, social service, health, or parent aide	None						
2:100 children			44				45
Special resource	None						
Personnel (psychology, art, music, consultants, etc.)		20	264			20	120
Supervision	None						
1:100 children		80			80		
2:100 children							160
3:100 children			240				
Facilities and utilities:							
Rental					50	90	110
Reimbursement	25	30	30				
Food, meals, snacks, kitchen supplies:							
1 meal, 2 snacks	89	100		(5)	100		
2 meals, 2 snacks			150			140	210
Supplies and materials	20	20	50		38	40	75
Equipment (annual replacement costs)		9	20		10	10	15
Medical and dental:							
Exam and referral plus treatment when not available	None	20			None	20	60
Otherwise			60				
Insurance	4						
Work with parents	None			None			
Problems only		10				15	
Parent education, family type activities, counseling			70				7
Transportation	None	None	None		None	50	60
Clothing, emergency needs	None	20	20		None	20	20
Personnel training	None	110	178		53	75	145
Total	752	1,423	2,372	396	813	1,245	2,320

[1] Office of child development estimates for minimum estimates for minimum care, 1971.
[2] Previous office of child development, estimates for minimum care.
[3] Previous office of child development, estimates for comprehensive cihld development based care.
[4] Day care survey, 1970 (type A center).
[5] Included.
[6] Unspecified.

TABLE N4b.—ESTIMATES ANNUAL PER CHILD COSTS OF CHILD CARE SERVICES (SCHOOL AGE)[1]

Service/level	Family day care		Center		
	OCD revised minimum [2]	OCD child development [3]	OCD revised minimum [2]	OCD child development [4]	OCD comprehensive [5]
Staff:					
Child care/recreation	385	385	147	93	153
1:25 children					
1:15 children					
Secretary/Bookkeeper: 1:100 children	None	None	33		
Janitor: 1:100 children			33		
Business: 1:250				16	16
Cooks and aides: 1:100 children			33		
Social service	None	None		None	None
Community social service, health or parent aide				None	None
Special resource: 1:30 children	None	None		None	121
Supervision				32	48
1:250 children					
2:250 children (40 weeks)					
3:250 children (12 weeks)					
1:100 children			55		
Personnel subtotal	385	385	301	141	338
Facilities and utilities (assume use of nonrent facility)	16	16	15	30	30
Food, meals, snacks, kitchen supplies:					
Snack only (40 weeks); meal and snack (12 weeks)	55	63	65	65	
Meal and snack (40 weeks); meals and snack (12 weeks)					120
Supplies and materials; equipment (annual replacement costs)	13	16	20	15	25
Medical and dental: Examinations and referrals	None	13	None	None	None
Insurance:					
Health and accident			6		
Liability	3	3			
Work with parents:					
Urgent need only	None	6	None	15	
Supplementary to school services					35
Transportation	None	16	10	None	None
Clothing, emergency need	None	None	None	None	None
Personnel training	None	6	30	14	50
Total	472	524	487	310	653

[1] Estimates based on 40 weeks before and after school care; 12 weeks full-time care.
[2] Office of child development estimates for minimum care, 1971.
[3] Office of child development care.
[4] Previous office of child developments, estimates for minimum care.
[5] Previous office of child development estimates for comprehensive child development care.

Lower estimates of day care costs may reflect political realities associated with the massive costs of a federally supported day care program.

The reduction in estimates and the lower actual operating costs may also reflect the following additional factors:

True cost reduction—The same service purchased at a lower price; for example, salaries may be less than originally estimated.

Different levels of services—Different levels of services may be provided; for example, staff-to-child ratios may be increased. This does not necessarily imply reduced quality of service.

Services dropped—Some services, such as medical treatment, were eliminated from earlier estimates and limited to screening and immunization. Also most comprehensive programs in operation do not provide *all* child development services, but only some of the services.

Under-reported costs—It is suspected that operating programs may under-report actual costs, such as the cost of donated space, space in the family day care home, etc.

Note 6—Cost of Replacing the Day Care Industry

The table was prepared to provide a general estimate of the magnitude of the cost of replacing the current private day care industry with a public, perhaps federal financed and operated program.

The capital cost requirements for facilities were estimated from new construction costs (Hedrick and Talcott, 1970) for serving those children now served in private homes. The value of existing day care centers is unknown but assumed to be $50,000 per facility. This is more than the new construction cost of $570 million for these centers.

Equipment costs are estimated for family homes and children in private homes at $40 per child, the lowest value reported by the Day Care Survey—1970.

Payroll costs are estimated at $350 approximately the average salary for center workers reported by the Day Care Survey–1970. Staff ratios of 1:10 are assumed.

Total costs are estimated from payroll cost assuming that personnel costs are 60 percent of total operating costs.

NOTES: CHAPTER THREE

Note 1—Definitions

Population groups—in estimating the impacts of day care services, three population groups are used:

1. *Welfare Poor:* This population group consists mainly of female-headed families with incomes below $4,000 per year. In general, this population group is current AFDC mothers.

2. *Working Poor:* This group consists mainly of families headed by males. These families are, in general, not eligible for assistance under the AFDC program but would be included under H.R. 1. These families have incomes less than $4,000.

3. *Near Poor:* This population group refers to families (both single and two-parent) that have incomes between $4,000 and $8,000. These families are not eligible for either AFDC or, in general, under H.R. 1.

(For precise definitions of the population groups see *Final Report*, II, V. 1, ch. 5.)

Note 2—Description of day care and child development services

This note presents information on the nature of child development services that can be purchased at the cost levels used as a basis of analysis in chapter three. The costs presented represent differences in input or services offered. They do not necessarily represent differences in efficiency of operation or impacts upon the children.

Estimates of day care costs are based on the kinds or levels of services included. For the purpose of this report, four different cost levels have been summarized. These represent the two extremes of services—custodial care for $400 per year at the one end of the continuum, and $2,000 for comprehensive child development services at the other end. In between are two moderate programs. These estimates come from several sources. The $400 estimated is the average cost found for centers offering custodial services in a national survey of day care centers currently in operation. The cost level of $800 corresponds to centers providing "educational" care and $1,300 for "comprehensive" care (Day Care Survey—1970). The Office of Child Development estimates approximately $800 for custodial and $1,245 for comprehensive care. Although there are some differences in costs between family day care and group settings, the costs for the same services are similar. The following focuses on group care costs.

To a considerable extent, the cost of day care beyond that of basic care and supervision is related to the cost of child development services provided. For the $400 annual cost, the care is custodial—offering food (one meal and snack), shelter, and adult supervision. Such centers make no attempt to provide educational or other services. The number of children per child-related staff member is high, 15:1; and there are few certified teachers in such centers, 1 to 470 children. Staff salaries are low.

Centers operating at a cost of $800 per child per year may include some educational activities in addition to the basic care and supervision. No other child development services are included. The ratio of child-related staff to children is about the same as the custodial program, 1:14; but the staff is more apt to be certified (one certified teacher for every 39 children). Salaries for the child-related staff members are higher—about twice that for personnel in custodial centers.

Child development services such as social services, medical and dental examinations and referrals, counseling for parents with serious problems, some resource personnel, and an additional meal for the children, are included at the $1,200 level. The ratio of children to child-related staff is lower, 1:6; and the number of children per certified teacher is also smaller, some 35:1.

When care costs $2,000, more child development services at higher levels are included and the staff-child ratios are smaller (for example, the care would include a child-related staff member for every four children or less). Treatment, if not available otherwise, is provided in addition to medical and dental examinations and referral services. Work with parents includes parent education, family activities and counseling. Both the numbers and kinds of staff members are increased. Transportation is provided for the children.

The variations in services for family day care for the different cost levels are similar to those for group care and the total costs are approximately the same. However, there is no comparable information for the $400 level of care.

For school-aged children, total costs range from $300 to $650. These estimates are based on 40 weeks of care for three hours a day and 12 weeks of full-day care.

The figures above are overall estimates and actual costs of such services vary according to such factors as the total number of children served, the level of service, and the location (region of the country and whether the day care is located in an urban or a rural setting). Also, these costs may be reduced by the availability of facilities, personnel, and services through other funding sources.

Note 3—Assumptions and qualifications of employment-response estimates

An analysis of the potential impact of day care services requires certain assumptions

about the nature of existing services and the conditions under which they are available. For example, if all or a substantial portion of the day care services were made available only in day care centers as opposed to a variety of day care settings, different utilization of the services would be expected, since parents show a variety of preferences for day care settings. Similarly, different impacts would be expected if day care were provided only as part of a mandatory work requirement program for welfare or if the use of specific day care services, such as licensed services, were mandatory.

The estimates of the expected impacts presented in this section assume that the use of day care services is voluntary—that it is not related to the mandatory use of specific day care services—and that the day care services provided will include a diversity of services, including in-home care—that maximum choice is provided to parents.

The above premises imply the following conditions for the actual operation of any day care program. The first and most important condition is that the day care provided would include all the varieties of day care that parents prefer and use. It thus, must include care in the child's own home and a variety of care arrangements outside the home, including care by relatives. The assumption is that to the greater extent parents can find the day care arrangements they prefer, then to this greater extent will they use the day care and thereby be allowed to seek employment. Conversely, to the extent that day care arrangements are limited to a few options or specific types, then only those parents desiring those forms of day care will use them and thus be free to seek employment.

The implication of this assumption for the estimated impacts presented in this section is that the impacts should be viewed as maximum responses or maximum employment effects. If, for example, a day care program were implemented that only or majorly emphasized the provision of day care services in centers, as opposed to the inclusion of other arrangements such as the child's own home or the home of another (including family day care homes), then the employment response will be significantly less, perhaps by as much as 60% since only 27% of non-working mothers (incomes $0–$8,000) indicate they prefer day care centers, while 45% prefer day care in their own home (Day Care Survey-1970).

Further restrictions on the use of day care services, such as the mandatory use of licensed day care facilities as opposed to the high current use of day care in the child's own home or the home of a relative (neither or which are covered by license laws) would have at least a similar or more drastic effect in reducing the employment response to the day care program.

The introduction of a mandatory work requirement either for the welfare poor or the non-welfare poor (if, for example, H.R. 1 were enacted) would not significantly increase the employment responses presented in this section. There are a number of reasons for this. First, the employment response is clearly related to the educational levels of the mothers and, presumably, to her job skills or employment potential. A mandatory work requirement would not, by itself, increase the educational levels of those mothers not seeking work and, therefore, would not increase their likelihood of employment.

Second, the employment-response model used in this analysis included in the employment response all mothers who worked at anytime during the year (as opposed to the percentage who may be employed at any given time during the year) and thus is a high estimate of the employment response.

A possible effect of a mandatory work requirement may be an increase in full-time employment. Our model predicts substantial changes from part-time to full-time employment as the result of day care services, but there is still some potential for more mothers to accept full-time rather than part-time employment. This effect would not increase the number of mothers working, but it would contribute to the reduction of welfare payments to their families.

Mothers will be able to obtain employment and thus use day care only to the extent that jobs are available. The estimates presented are based on a period of relatively low unemployment (1967). Hence, the estimates may be high for periods of high unemployment. In other words, high unemployment conditions will cause a reduction in the response rates reported.

The reduction in welfare costs and welfare rolls will depend upon both the level of welfare benefits and the wages women are able to earn. The welfare rolls and costs are based on proposed H.R. 1 benefit levels of $2,400 for family of four plus incentive payments (30 plus ⅓). To the extent that benefit levels are higher, as they are in most states, the reduction in welfare rolls and costs will be less. (The wages of working mothers are based on actual wages earned in 1967, updated to 1969.)

Note 4—The estimation model

The estimates of employment response presented in chapter three were developed from several analytical approaches to the estimation problem. The approaches include the use of survey results; economic estimation models (the wage-subsidy approach); and a cross-classification model based on changes in employment behavior as the child becomes school age and thus eligible for some "free day care services." The estimates for the employment response to preschool day care services for the welfare poor and working poor are based on this model. The estimates for the near poor are based primarily on survey results and current employment patterns. A full presentation of the development of the estimates is presented in chapter five, volume one, of Part II of this Final Report.

Two estimates of the employment response to preschool day care services were developed. The full response estimates assume that all mothers who potentially would seek or could take employment would be able to find and retain a suitable job. A second estimate of the employment response was developed by reducing the full-employment response potential by 50%. This reduction is based on the realization that not all mothers who could or would seek jobs if day care were available would be able to find suitable employment.

The WIN program from May 1970 to April 1971 averaged 20% completions of all new entrants (see Table 12, Appendix B, material Related to H.R. 1—Work and Training Provisions Hearings on H.R. 1, August 1971). In April 1971, 37% of WIN enrollees who had completed training could not be placed because jobs were not available (Table 7). Cumulatively, from June 1970 to April 1971, 43% of WIN completions have been placed in jobs (Chart 7). Thus, the 50% employment rate is in accord with actual program results.

The estimates presented in chapter three assume a 50% participation rate for the near-poor population who are not eligible under H.R. 1 for direct financial assistance but could be eligible for a day care subsidy under a sliding fee schedule. This means that of all mothers in this group eligible for a day care subsidy, only 50% will apply for it. This is a realistic estimate. Even in direct financial assistance programs such as AFDC, participation rates are not 100% and may be as low as 40%, depending upon the benefit level. HEW estimates 50% participation rates for day care programs not required under H.R. 1 (Report on Preschool Education, 1971, p. 5).

The model estimates for the welfare poor and working poor are based on all families with income other than the mother's own wage of less than $3,500 in the largest 97 SMSAs (Current Population Survey 1967).

Note 5—School-age employment response of mothers with school-age children

The 5% induced labor force participation rate for working poor mothers was estimated through a wage-subsidy model by Auerbach. (See Final Report, II, V. 1, ch. 5, pp. 202–203.) The estimate for the employment response for the welfare poor was obtained by determining the ratio of the employment response of the two population groups from our cross-classification, 50%-response model and applying it to the 5% response rate for the working-poor population.

Note 6—"Poverty": Definition

Because of grouped data it was impossible to determine individual family income. The definition of poverty classifications (for a family of four) are based on categories of income within given ranges:

Poverty: income $0 to $4,000 with average income $2,000 or less;

Near poverty: income $2,000 to $5,500 with average incomes $3,750 or less;

Non-poverty: incomes averaging above $3,750; including both assistance payments under H.R. 1 and earnings. A family may achieve non-poverty status due to the supplemental assistance under H.R. 1. Thus, not all families classified as achieving non-poverty status will be earning enough to place them completely above welfare status (see final Report, II, V. 1, ch. 5).

INCREASED FAMILY INCOME FOR WELFARE POOR [1]

Cost per year of day care	Total day care cost (millions)	Increased family income (millions)	Increased family earnings (millions)
$400	$203	$90	$128
$800	406	90	128
$1,200	610	90	128
$2,000	1,016	90	128

INCREASED FAMILY INCOME FOR WORKING POOR [1]

$400	$160	$108	$149
$800	321	108	149
$1,200	481	108	149
$2,000	802	108	149

[1] Table 43, final report, II, V. 1, ch. 5.

INCREASED FAMILY INCOME FOR NEAR POOR

Cost per year of day care	Total day care cost [1] (millions)	Increased family earnings [2] (millions)
$400	$200	$1,147
$800	399	1,147
$1,200	599	1,147

[1] 50 percent participation rate and sliding-fee scale.
[2] At $4,588 per year, which is equal to WIN graduate wage levels for 250,000 mothers.

Note 7—Reduction in welfare rolls

Because of grouped data, it is impossible for the cross-classification model to determine individual families that would leave welfare as the result of wages from employment. These estimates are derived from estimated earnings.

WORKING MOTHERS AMONG WELFARE POOR[1]

Cost per year of day care	Mothers working: Total day care cost (millions)	Before: Part-time Percent	Before: Part-time Number	Before: Full-time Percent	Before: Full-time Number	After: Part-time Percent	After: Part-time Number	After: Full-time Percent	After: Full-time Number	Mothers working: Total day care cost (millions)	Before: Part-time Percent	Before: Part-time Number	Before: Full-time Percent	Before: Full-time Number	After: Part-time Percent	After: Part-time Number	After: Full-time Percent	After: Full-time Number
$400	$203	9	48,000	39	216,000	7	40,000	46	257,000	$160	8	44,000	27	141,000	11	56,000	40	187,000
$800	406	9	48,000	39	216,000	7	40,000	46	257,000	321	8	44,000	27	141,000	11	56,000	40	187,000
$1,200	610	9	48,000	39	216,000	7	40,000	46	257,000	481	8	44,000	27	141,000	11	56,000	40	187,000
$2,000	1,016	9	48,000	39	216,000	7	40,000	46	257,000	802	8	44,000	27	141,000	11	56,000	40	187,000

[1] Table 41, final report, II, vol. 1, ch. 5.

PRESCHOOL WELFARE POOR FAMILIES LEAVING WELFARE DUE TO PRESCHOOL DAY CARE SERVICES

Cost per child per year of day care	Total cost of day care (millions)	Families leaving welfare: Number	Families leaving welfare: Percent eligible
$400	$203	12,500	2.5
$800	406	12,500	2.5
$1,200	610	12,500	2.5
$2,000	1,016	12,500	2.5

WORKING POOR FAMILIES LEAVING WELFARE DUE TO PRESCHOOL DAY CARE SERVICES

Cost per child per year of day care	Total cost of day care (millions)	Families leaving welfare: Number	Families leaving welfare: Percent eligible
$400	$160	40,000	8
$800	321	40,000	8
$1,200	481	40,000	8
$2,000	802	40,000	8

NOTE 8.—TOTAL COSTS OF DAY CARE AT $800 AND $400 PER YEAR

DAY CARE PROGRAM AT $400 VOUCHER LEVEL (PRESCHOOL) AND $300 (SCHOOL-AGE)

	Cost for preschool day care (millions): Welfare poor	Working poor	Near poor	Total costs
PRESCHOOL				
Estimated cost	$203	160	200	$563
Minus current expenditures	150			
Total	53	160	200	413
Minus welfare savings and taxes	39	40	114	
Total	14	120	86	220
SCHOOL-AGE				
Estimated cost (all families)				300
Minus current expenditures (for welfare poor families)				59
Net cost				241
Total cost (preschool and school age)				863
Current expenditures				209
New expenditures				654
Welfare and tax savings				−183
Net cost				680

DAY CARE PROGRAM AT $800 VOUCHER LEVEL (PRESCHOOL) AND $300 (SCHOOL-AGE)

	Cost for preschool day care (millions): Welfare poor	Working poor	Near poor	Total
PRESCHOOL				
Estimated cost	$406	321	339	$1,126
Minus current expenditures	150			
Total	256	321	399	976
Minus taxes and welfare savings	39	40	114	[1] 783
SCHOOL-AGE				
Estimated cost (all families)				300
Minus current expenditures (for welfare poor families)				59
Net cost				241
Total cost (preschool and school-age)				1,526
Current expenditures				209
New expenditures				1,317
Welfare savings and taxes				−183
Net cost				1,343

[1] Net cost.

NOTES: CHAPTER FOUR

Note 1—Estimated numbers of preschool children served under different Federal Day Care Programs

An estimated 909,000 preschool children of working mothers (about one-fourth of the total number of preschool children eligible for income maintenance support under H.R. 1) would need care under H.R. 1. (See chapter three for the detailed explanation of how this estimate was derived.)

Given allocations, about one-third of these 909,000 or 292,000 would be served under H.R. 1 as it passed the House. This estimate is based on the assumption that one-third of the slots to be provided would be for preschool children, as stated by Secretary Richardson (September 22, 1971), at a cost of $1,200 per year.

Although an estimated 830,000 children would receive child development services under the Nelson-Mondale bill (at a cost of $1,200), only 8% (72,720) of the 909,000 disadvantaged children of working mothers would be included. The Nelson-Mondale bill as introduced would, in total, serve 19% (675,000) of the total number of children under H.R. 1 (of both working and nonworking mothers). In addition to these children, 83,000 children from families with incomes above the $4,320 level would be served. This estimate of the total number of preschool children served is based on a total allocation of $1.5 billion, of which $.5 billion is restricted to Head Start programs; second, $1 billion is to be evenly divided between preschool and school-age children. This provides a total of $1 billion for preschool children. Based on the cost of $1,200 per child for child development services, $1 billion will serve 830,000 preschool children.

Thus, if the intent of federal support of day care services is to provide care for working mothers from poor families, this can best be accomplished through limitation of the services to children of mothers who would be working, as provided for by the example program described in this report.

If, however, the intent of federal support is to provide child development services to poor preschool children as specified in the Nelson-Mondale bill, then only one out of five poor children would receive services at the present budget levels. At the same time, this bill would provide services to approximately 83,000 children above the poverty level. If child development services were included for the children of working mothers, then about one-fourth of the children of working mothers would be served. None of the programs shown in Table 9 would provide child development services for all poor children.

Note 2—Child development: Estimates of cost

As cited earlier, we find William L. Pierce's observations in a paper entitled, "Cost and Quality in Early Childhood Programs" of interest. He states:

"Somehow, the estimates of cost for early childhood programs have become politicized so that the estimates of Steiner, Keyserling, (3) Reid (4) and others, which cluster around the $2,200 level for full day, full year programs for preschoolers, are dismissed in favor of lower estimates that match political, not practical, reality. The people and organizations whose estimates cluster around $1,600 have, to date, been less precise in describing their bases for computation than have the $2,200 people."

(3) Mary Dublin Keyserling quoted a $2,200 figure in her testimony before the Senate Finance Committee. See p. 1409, *Hearings*, Family Assistance Act of 1970. Mrs. Keyserling is the former director of the Women's Bureau and is presently conducting a study of day care for the National Council of Jewish Women.

(4) Joseph H. Reid, executive director of the Child Welfare League, told the Senate Finance Committee in the 1970 hearings (p. 1540) that the cost of group day care was about $2,234."

Pierce's statement is all the more interesting since current estimates of child care with a child development component associated with H.R. 1 and the Nelson-Mondale bill are based upon a $1,200 per year per child cost estimate (cost as reported in Child Care: Data and Materials, 1971).

The costs estimates presented here of ap-

proximately $2,200 do not buy the same services that the experimental program do for about the same cost. The programs discussed above provide more medical and dental care, and other non-educational services, while the experimental programs tend to spend most of the money on education services.

Note 3—Child development: State of the art

Dr. Edward Ziegler cited and quoted in *Report on Preschool Education*, (July 28, 1971, p. 2):

Knowledge Base Needed for Day Care. In earlier testimony, Ziegler said he thought the massive Head Start program which his office now administers had been launched without building sufficient knowledge base and without enough early experimental demmonstration. Faced now with the prospect of a "quantum leap" in day care, Ziegler said one of OCD's main concerns has been to avoid that pitfall again if at all possible. A study comparing the effectiveness of four different kinds of day care programs—center programs for large groups of children, group home care involving about 12 children and two adults, family home care involving one adult and about five children, and at-home care provided in the child's home by a caretaker—is one of the demonstration projects which Ziegler said OCD already has underway.

"Given passage of the new welfare bill, H.R. 1, the base we are now developing in day care with this money will have to support a $400 million program. I really do not believe it is wise for a nation to push ahead spending $400 million in day care without spending two or three years before that trying to find out what works, what are more economical ways of doing it, and what ways we can do it to optimize the development of children," Ziegler explained..

Dr. Edward Ziegler cited and quoted in *Report on Education*, (July 21, 1971, p. 6) commenting on a proposed "Home Start Program": The benefits of this kind of a program is, of course, that the efforts of a developmental home life are far more long lasting and continuous than we could ever expect from a few hours a week in developmental centers alone."

Dr. Edward Ziegler cited and quoted in *Report on Education*, (March 24, 1971, p. 4):

"There is a valid theoretical basis to the idea that most 'cognitive and social development of the child' take place in the family, he said. OCD would try to capitalize on this by 'supplementing family life' without, he hoped, coming to 'supplant it'. He outlined two approaches to the effort. First, parent training in high school. Every adolescent, said Ziegler, should have a course in how to be a parent. Second, the bulk of the effort would be to begin "Home Start." Experimental programs have demonstrated the effectiveness of helping the parent, a field where "precious little work has been done."

Note 4—Child development: The syndrome

An interesting analysis of one aspect of the mutually reinforcing nature of child development opportunities and poverty is the following argument:

A child born into a poor family has less opportunity to receive child development services than does his more affluent counterpart for two reasons. First, because of the factors that are related to his family's being poor such as low educational levels of the parents, low earning power, and low-skilled occupations or being born or raised in a female-headed household. Second, the presence of the additional child himself places extra strain on the already low purchasing power or resources of the family. Hence, the additional financial needs associated with the birth of the child may be the event that places the family in poverty.

Given the relatively low earning power of many families, increasing family size is the single most significant factor that places the family in poverty. While the mother or father's earning power may be sufficient to support one or two children above the poverty line or beyond the welfare levels, it is extremely unlikely that families can support family sizes above these levels.

NOTES: CHAPTER SIX

Note 1—Administrative authority

Policy decisions will have to be made regarding the placement within the federal governmental structure of administrative authority for the various components of the suggested program. Competing arguments exist in the case of the three program areas—providing purchasing power, development of key resources, and research and demonstration. On a balance of the considerations involved, we tentatively suggest placement of each component in the following manner.

1. *Administration of the Voucher Program.*—The primary responsibility for the provision of vouchers for work-related day care services seems logically to fall to the federal agency that would have responsibility for other work-related programs and services under current and proposed legislation. If this situation should change, the logic of this placement might likewise change.

2. *Administration of the Key Resource Program (Department of Labor).*—The reason for housing this program in the Department of Labor is the assumed efficiency and effectiveness of the development of key resources through the same central administration as that responsible for the provision of services, or to one that is closely related. Other considerations suggest placing this program in other offices, such as the Department of Health, Education, and Welfare. Principal among reasons for placement in HEW would be that department's substantial past and current activity and responsibility in the area.

3. *Administration of the Child Development Research and Demonstration Program (Department of Health, Education, and Welfare).*—Past HEW experience and current capabilities and activities in the field suggest the wisdom of placing this new office with that department. Overall coordination and cooperation in the whole child care program suggests placement of a research with the Department of Labor, if other parts of the program reside there, and if one portion of the program would not exercise undue influence over another.

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CONSUMER CONFIDENCE AND SPENDING RISE

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. RHODES) is recognized for 5 minutes.

Mr. RHODES. Mr. Speaker, recent economic reports clearly show that consumer confidence and spending are on the rise. The consumer sector promises to be a full-fledged participant in our economic advance.

Personal consumption expenditures rose nearly 8 percent at an annual rate during the first quarter this year. The savings rate, which has been abnormally high in recent years compared to past trends, dropped to 7.4 percent during the quarter, suggesting fewer consumer doubts about the economy. This optimism is confirmed by recent surveys of consumer sentiment. Private surveys by the University of Michigan and Sindlinger & Co. suggest that consumers are optimistic on the economic outlook.

There is other evidence of surging consumer demand. Consumer credit expanded by a record amount in March. The demand for credit is a good measure of consumer expectations, and this recent surge reflects a positive view of the future. Retail sales during the same month rose to $36.2 billion seasonally adjusted, a 9-percent increase over a year earlier. The retail sales increase over February was 3 percent, an unusually high rate for 1 month. And new car sales soared to a record 897,000 units in April, 9.3 percent above a year ago.

In addition to being an indicator of increasing confidence in the economy, rising consumer spending will help stimulate the expansion. Higher consumer demand will create more jobs and income. When combined with rising activity in the business sector, recent consumer advances suggest our economic expansion will continue and strengthen in the month ahead.

PRESIDENT'S PEACE PROPOSAL MOST GENEROUS OFFER YET

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 10 minutes.

Mr. TALCOTT. Mr. Speaker, I am today introducing a joint resolution, House Concurrent Resolution 613, expressing the sense of the Congress to end the war in Southeast Asia. My thesis adopts the President's peace proposal of May 8. To my knowledge it is the most generous peace offer yet proposed by an American

President and is more generous than any serious offer—short of surrendering the South Vietnamese to the subjugation of the North Vietnamese by force and terror—proposed by any Democratic or Republican candidate for the Presidency in 1968 or 1972.

Instantly many of the anti-Nixon columnists, the political partisans, four presidential candidates, the national and international media and the North Vietnam sympathizers emphasized and decried the mining of Haiphong harbor and the bombing of enemy military supply dumps and logistics lines, yet they practically ignored the important peace offer which would stop the killing, restore peace and return our POW's. Their incessant drumbeat continues although it becomes more forced and less substantial.

The President's offer may be sincerely considered by some to be too generous. A cease-fire in place appears to give the Communist Government of North Vietnam control and domination over part of South Vietnam which they have recently occupied by military force. Some, myself included, would prefer that the withdrawal of all foreign forces from South Vietnam be a condition to the withdrawal of our forces.

However, I consider this a compromise—a risk, a concession perhaps—worth taking to end the killing and arrange a peace. The portion of South Vietnam now under Communist control contains less than 3 percent of the population—most of whom have escaped South. The land is marginal at best and sparsely inhabited. The North Vietnamese have encroached only about 22 miles south along the coast from the DMZ.

Under any fair and impartially supervised election in South Vietnam, the freedom loving electorate would overwhelmingly defeat the Communists now occupying this small area.

I deplore accession to domination by force, terror or aggression, but the total longrange good seems to justify acceptance of the President's proposal for peace in this instance at this time.

I go further than the text of the President's proposal in that I require an accounting of our missing-in-action as well as the safe return of our prisoners of war. We have obligations of the highest order to all military personnel and their families—especially to those who have been lost or missing in combat. We must insist on an accounting of all who came under enemy control whether or not they are still living and whether or not they are still being held in North Vietnam.

I urge the House to adopt this resolution promptly. We urgently need to demonstrate—in the cherished and respected American representative parliamentary process—that the Congress and the people of the United States support the President in his effort to achieve peace with freedom for the beleaguered peoples in Southeast Asia.

I have heard no critics of the President's Vietnam proposal who are now demonstrating or shouting against the mining of Haiphong harbor who said anything, even in a whisper, about the continuous wholesale indiscriminate mining by the North Vietnamese in South Vietnam.

Compare these abbreviated aspects of "mining":

(a) In North Vietnam vs. (b) In South Vietnam:

1. *Beginnings:*

(a) In North Vietnam, on May 10 in Haiphong and other northern coastal ports.

(b) In South Vietnam, in the early stages of the war more than 10 years ago and has continued to this day.

2. *Numbers killed:*

(a) None in North Vietnam.

(b) Thousands in South Vietnam.

3. *Damages:*

(a) None in North Vietnam.

(b) Millions of dollars in South Vietnam.

4. *Objective of mining operations:*

(a) Interdiction of military supplies in North Vietnam bound for South Vietnam.

(b) Destruction of everything and anything, and terrorism of everyone including innocent civilians in South Vietnam.

5. *Location of Mines:*

(a) In the channels of ports and inland waterways in North Vietnam.

(b) Everywhere in South Vietnam: ports, harbors, channels, open seas, rivers, lakes, paddies, canals, roads, airports, bridges, officers clubs, theaters, parliament buildings, vehicles, dead bodies, etc., etc.

6. *Warning of mining operations:*

(a) In North Vietnam, 3 days of extraordinary public notice by every means available, greatly assisted by the news media of the world. It would seem impossible for anyone to lack any knowledge of the kind, place or objective of our mines in North Vietnam harbors.

(b) In South Vietnam, no notice whatsoever ever. In fact most mining, if not all, was and is highly secret, clandestine. Never was a warning given; in fact, the hidden mine is designed to terrorize as well as to destroy.

7. *Activation of mines:*

(a) We meticulously gave notice before activation and have prearranged deactivation so that extended dread of old undetonated mines is avoided. We have agreed to sweep the mines when their objective is achieved.

(b) North Vietnamese mines in South Vietnam are still in place or floating around and are still being accidentally detonated by unsuspecting victims.

It is generally conceded that we are utilizing our mines in the most humane way possible—to interdict rather than to destroy or terrorize. The North Vietnamese, because of their clandestine and indiscriminate use, are generally conceded to be the most vicious and decivilized users of mines.

We could have elected to sink ships entering harbors in North Vietnam together with their military cargoes and crews. We did not. We are interested solely in interdicting war materials, weapons, munitions, and supplies. We give the shippers a warning and an alternative. The North Vietnamese give none of their victims any warning or opportunity to avoid the lethal detonations.

Other distinctions—all equally illuminating—could be recited. Little attention has been given to this vicious tactic of guerrilla war which has been perpetrated upon the South Vietnamese night and day for years.

Also remember when you criticize the mining of Haiphong harbor, that it came after the massive Easter invasion South Vietnam across the DMZ.

Regarding our bombing of North Vietnam. Every presidential aspirant loudly condemns the bombing now that President Nixon is Commander in Chief.

Our bombing is strictly aimed at military targets in North Vietnam. There are no civilian targets. Admittedly, accidents and mistakes have and will occur; but our policy is scrupulously practiced to avoid damage or injury to civilians. North Vietnamese artillery fire and bombs have intentionally killed many thousands of civilians and destroyed schools, churches, orphanages, hospitals, theaters, clubs in South Vietnam. Pictures and other documentation are readily available but seldom used or published.

You know, as well as I, that if the North Vietnamese could produce a single photograph of a school, hospital or church or any other civilian structure damaged by our bombing it would be prominently and repetitiously published in the New York Times, the Washington Post, Newsweek and Life as well as on the national television networks. Not one such picture has been produced—even though we hear allegations to this effect repeated and repeated by the Communists.

Of course it is inevitable that some mistake may occur. It will be well publicized, never fear.

Refugees often tell a poignant but accurate story by their footprints. In this war the refugees are all headed south, not north. They know the conditions—the real conditions. Their thoughts and statements may not be too accurately reported, but their direction is clear. Their movement is more eloquent than any stories about disenchantment with the government or life in South Vietnam.

I am not suggesting that the government or life any place in Southeast Asia is satisfactory. I suggest only that we make some comparisons of our own before we believe everything reported to us from Southeast Asia and before we make judgments.

In deploring war and violence we ought to be objective and fair. Only a little fairness and objectivity would go a long way toward molding a rational public opinion and a national policy which could bring this horrendous war to a speedy conclusion.

The critics of the President's peace proposal should subject their alternative proposals, if any, to the same careful analysis, evaluation and judgment that they expect of the President in making his decisions.

For these, and other reasons, I have decided to introduce my concurrent resolution.

AN UNTAPPED SOURCE OF SUBSTANTIAL INCREASED FEDERAL REVENUE

The SPEAKER. Under a previous order of the House, the gentleman from New Hampshire (Mr. WYMAN) is recognized for 5 minutes.

Mr. WYMAN. Mr. Speaker, the following article from the April 10, 1972, issue of Newsweek clearly points out the popularity of gambling among the citizens of the United States. In many instances such activity is illegal, with the proceeds going directly to finance organized crime. The most conservative estimates place illegal betting revenue at $20 billion a year of which $7 billion is estimated as clear profit to criminals.

In this time of continuing Government overspending of revenues, why not tap this lucrative source for badly needed Federal revenue? Several States have instituted lotteries which have proven successful, and more than 70 nations have a national lottery of one form or another. In America such a lottery could produce billions of dollars of critically needed revenue each year to help finance the increasing number of services the Federal Government is being called upon to perform.

A national lottery would also materially reduce the revenues of organized crime, while offering citizens so inclined a legal opportunity to take a lawful chance to win tax-exempt prizes under a program honestly run. Wagering can and does exist in the United States of America on a massive daily basis despite all efforts to discourage or stop it. Nor can it be contended with force any longer that it is immoral. In these circumstances, Uncle Sam is foolish not to be offering the action, instead of the underworld.

I have introduced H.R. 2386 to establish a national numbers drawing and I urge my colleagues to seriously consider this proposal as a practical step toward helping resolve our deepening fiscal crisis. In addition, my proposal would bring about true and meaningful revenue sharing because participating States take 15 percent of each pool under my bill.

I will include the following:

EVERYBODY WANTS A PIECE OF THE ACTION

Gamblers have always dwelt on the fringes of society, shadowy figures consumed by the unending pursuit of the "special feeling" of tension, pain, and exhilaration that perhaps only Dostoevski's compulsive gambler and his millions of fellows could truly understand. Gambling is as old as history: Mercury "played at tables" to win a share of the moon's light in Roman mythology, and archeologists have found many dice—some of them loaded—in the ruins of Pompeii. In the United States alone, people bet on everything from the ballet-like jai-alai games of South Florida to the precise minute each spring when the ice breaks on Alaska's Nenana River.

Through it all, few gamblers have achieved Joe E. Lewis's whimsical goal of breaking even; for the gambling business, whether formal or informal, legal or illegal, has always been stacked against the player. But the gambler has endured and proliferated, and now he has become part of a remarkable boom. For with the enormous interest in televised sports such as football and basketball, there has been a corresponding explosion in betting—particularly throughout the middle and upper-middle classes. As a result, gambling now stands as a major U.S. industry, right up there with the automobile, oil, construction, and other industrial giants. Consequently, more and more entrepreneurs and politicians are looking to the gambling market as the cornucopia of profits and revenues that could help solve chronic city and state fiscal crises.

Last year alone in the 28 states that allow parimutuel wagering on horse racing, tracks handled about $6 billion, and the states realized some $500 million in direct taxes, as well as millions more in taxes on track admissions, horse sales and other transactions. Nevada, the only state with legal casinos, collected all of $41 million from that tax source, financing 40 per cent of the state budget. New York City's year-old pioneering venture in off-track betting, hampered by its own inefficiency and fighting for its life in the face of a proposed take-over by the state and tracks, still ranks as a remarkable success, handling about $1.4 million a day in its 59 crowded offices. And New Jersey's state lottery, the best-designed of the lotteries recently inaugurated by states, is expected to handle $320 million in the next fiscal year—with half of the action going to the state.

The statistics on legal wagering, however, represent only the tip of the iceberg. Gambling experts have estimated that for every dollar bet legally, five to seven dollars are wagered illegally on events ranging from the national pastime of baseball to the exotic ethnic lotteries that flourish in Puerto Rican, Cuban and Chinese ghettos. That formula points to illegal action totaling as much as $40 billion annually; and even the most conservative official estimate—offered in 1966 by the President's Strike Force on Organized Crime—placed the yearly illegal betting handle at $20 billion. And as that $20 billion is churned through bookmaking channels, with a percentage being extracted from every dollar that comes and goes, it produces awesome revenues. Even after operating expenses—including an estimated $2 billion for corruption of public officials—the bookmaking industry is left with a profit of $7 billion.

That revenue is unquestionably the main source of income for the American underworld. Some of it is divided among the thousands of underlings who man telephones, write and collate bets and make collections, but much more is funneled upward through the crime structure. For one thing, every bookie needs to balance his bets on each side of any given event to insure that he cannot lose money when he pays the winners; to do so, he passes on unbalanced bets to mob-sanctioned "layoff men," who can draw on much wider gambling markets to make the books balance. The mob also offers two services that individual bookmakers need—corruption and security.

MOBSTERS AND MONEY

Any small bookie can bribe the cop on his beat; but only the Mafia can buy enough judges, politicians and law-enforcement officials to make sure that the nationwide gambling business can operate with relatively little fear of crippling raids, jail terms or the disruptive glare of public scrutiny. As for security, the mob has the ability to infiltrate law-enforcement agencies and provide valuable warning when raids are imminent. It keeps careful vigilance over the conduct of sports—an important function, since no one is more concerned with keeping sports honest than the bookies, the men who could be burned by a fix.

In return for such services to lower-echelon gamblers, the top mobsters get funds to invest in other lucrative activities, from loansharking and narcotics peddling to a number of "legitimate" businesses such as trucking and handling vending machines and juke boxes. They also get very rich. Bosses who concentrate on gambling are reputed to be among the richest of all mafiosi.

It was only recently that civic leaders decided that governments should share in that wealth; and now the pace of legalized gambling is picking up. Already, at least two other states in the East—Connecticut and Pennsylvania—have decided to follow New York into the off-track-betting arena within the next few years; half a dozen others have appointed study groups to keep a close watch on the OTB experiments. Last month Pennsylvania and Massachusetts became the fifth and sixth states to launch lotteries, while legislators as far away as Oregon and Washington cleared the way for future lotteries of their own. And though politicians in a number of Southern and Midwestern states remain reluctant to espouse gambling in the face of fundamentalist opposition, at least one conservative state, Virginia, is now rated a good bet to drop its antigambling statute and allow racetracks to open in a few years. With each passing week, in fact, gambling seems to take on greater significance as a dominant social, political and economic force of the 1970s.

The trend can be attributed partly to the general permissiveness of society; like alcohol, marijuana and sexual freedom, the institution of gambling is steadily losing its shock value and becoming accepted as a part of modern life. But most gambling advocates are more realistic than permissive. They argue that instead of draining money out of the economy and into the underworld, gambling should be legalized and taxed. Antigambling laws are virtually impossible to enforce. Charles Siragusa, executive director of Illinois Legislative Investigating Committee, labels them "a waste of time." They also often lead to ironically hypocritical situations. In Texas, for example, church groups proudly proclaim that a ban on all gambling is saving the state form "moral decadence"—but Texas public safety director Col. Wilson Speir admits that known bookmaking operations handle $767 million annually on football alone. Increasingly, legislators are reasoning that if they can't stop such large-scale action, they might as well try to grab a piece of it.

THE NEW BETTING BREED

Perhaps the greatest impetus behind the gambling explosion, however, is the changing nature of the gambler himself. For centuries, gambling was considered the province of the very rich or very poor. The wealthy amused themselves in posh casinos and made racing their own "sport of kings." The poor placed their daily bets with numbers runners or crowded into track grandstands in vain hopes of striking it rich. But in recent years gambling has become much more than an idler's pastime or a mass opiate. The modern gambler may be the middle-class suburbanite who calls his equally middle-class bookmaker in Scarsdale or Santa Monica to bet a few dollars on each of a weekend's televised football games. She may be the Queens housewife who stops at her neighborhood off-track-betting parlor to take a $3 flyer on the nightly big-payoff Superfecta. He may be the New Jersey office worker who picks up a 50-cent lottery ticket each time he buys a paper at the newsstand. He may even be one of the growing number of woodland hippies who journey from their northern California communes each weekend to take in the free drinks, festive atmosphere—and casino action—of South Lake Tahoe, Nev.

As diverse as their life-styles and betting habits may be, almost all gamblers soon acquire similar perspectives on their wagering. They find that the exquisite pain of losing a photo finish or having a lottery ticket that misses by one digit is a thrill in itself; they even learn in many cases that winning or losing is not quite as important as simply being able to look forward to a game or race or drawing with money at stake—the sublime feeling of being "in action."

A bearded young man in Tahoe recently lost his last $40 at blackjack. "I know it's stupid," he philosophized. "But I always feel my good karma will get me through. And anyway, what's money for if not to have fun with?" Urbane New York restaurateur Norton Peppis, who has been known to bet 40 college basketball games a night without knowing the name of a player on any of the 80 teams, nodded approvingly at the man's

statement. "There's a kid who knows how to get high," said Peppis. "When you're betting, you can get high on the air conditioning. Worrying about winning is for amateurs. The point is to be in action. It makes me like a teapot. I hiss and whistle and then I boil over."

Understandably, the commissioners of America's major sports prefer to ignore the millions of bettors on the social spectrum between the kid in Tahoe and Norton Peppis. The men who sell sports would have us believe that they are attracting millions of fans each year with the sheer excellence and excitement of their spectacles. Any candy-store bookmaker, of course, can correct that impression. The fact is that most bookies handle racing only as an accommodation to regular customers; as much as 90 per cent of the business thrives on team sports. Because its schedule offers the most games, baseball is estimated to lead the league in betting handle each year; but pro basketball, with its own expanding season, is not far behind, and pro football stimulates by far the most action per game. Football, in fact, is probably the best example of the ideal marriage of sports, gambling and television. The game itself is perfectly suited for television, and the use of point spreads equalizes teams enough to make all games competitive from a betting standpoint. So fans consistently combine watching and betting, with results that have been happy for all concerned. The sport is riding a crest of tremendous popularity, television executives are getting high ratings and high-priced sponsors, and bookmakers have no trouble keeping their girl friends in mink.

Before the last Super Bowl, football commissioner Pete Rozelle unveiled a Harris poll that had been commissioned by the National Football League presumably to show that football was America's favorite sport. The survey examined fan reactions to a score of football phenomena; but somehow, amid all the efforts to find out why people like the sport, nobody bothered to ask if the reason might be betting. "Nobody thought of it," Rozelle explained lamely.

Sportswriters, angry at what seemed a clumsy public-relations ploy, blasted the poll and offered their own estimates of the impact of gambling; some guessed that as many as 75 per cent of fans made at least token bets. "That would be a little high," says odds maker Jimmy (The Greek) Snyder, whose betting lines have made him almost as much of a pro football figurehead as Rozelle. "I would put it just below 50 percent." Whatever the figure might be, any casual observer can get a good reading on the amount of betting with his own litmus test. Pick a meaningless game between bad teams in miserable weather; wait until the fourth quarter, when the result of the game is beyond doubt—but the point spread remains within reach of the losers. And then count how many people leave the stadium. That handful, you can be fairly sure, didn't bet.

The love of action is closely related to the other staple of the gambler's emotional diet—the tantalizing stimulating element of hope. "Let's face it," says upstate New York track operator Leon Greenberg, "we're selling dreams." The demand for well-packaged dreams has been clearly illustrated in the fans' response to gimmick bets like the Superfecta, which requires bettors to select the first four finishers of a race in precise order. But the dreams can also take more down-to-earth forms. Every lottery ticket and every call from a bookie stirs vague but palpable hopes that the one big payoff is on the way or even that the modest $20 football bet is the one that will end a losing streak and, in the gambler's phrase, "turn things around." Even in the dreariest of times, every bet is an invitation to look ahead to brighter things—and thus a psychic stimulant in itself. As one racing maxim expresses it. "Nobody ever commits suicide on the racetrack. You've always got to hang around for the good one that runs tomorrow."

"Logically, you should have a 50–50 chance on every game even if you're just tossing coins," says a New Jersey businessman who has lost as much as $47,000 on pro football in one weekend. But it doesn't work out that way. It's much easier to pick six straight losers than six straight winners. I know that—I paid for that knowledge. But when the next weekend's schedule comes up, I push it right out of my mind. If you're a gambler, you've got to look ahead."

It is this attitude that makes the gambler the best consumer—and the most taxable citizen—society has to offer. Racetracks and states extract between 15 and 20 cents out of every dollar he bets before they pay him off for any winners. In sports betting, bookies make him put up $11 to win $10; this comes to only a 4.06 percent rake-off, but the living styles of most bookmakers attest to the adequacy of the arrangement. All the percentages assure the bettor of losing in the long run. As Frank Erickson, most famous of all bookmakers, used to tell his aides, Boys, don't be envious of any rich consumer. No matter how much money he makes in his own business, remember if he keeps playing horses, he's working for us."

The gambler's capacity for punishment seems bottomless. A veteran can hardly be daunted by expenses or outrageous taxation. As New York bettor John McGuire says, The bet always costs the same amount. They only take a cut from the winners. And if you're winning, how can you care?" A former bookie makes the point more directly: A real gambler is the type of guy you abuse him and throw him out a window, and a minute later he's knocking on the door asking for the price on the Celtics game."

NOBILITY OR DISEASE?

Gamblers see a certain nobility in their own perseverance, but even amid the current gambling boom, critics still raise their voices in protest, bemoaning the sickness of the bettor, the criminal nature of the activity and its erosive effect on society. Gamblers Anonymous, an organization patterned after Alcoholics Anonymous, claims a nationwide membership of 4,000 as well as a potential membership of "10 million compulsive gamblers who need help." Sociological critics argue that legalized gambling is a grossly unfair form of taxation, since it takes most of its cash from the poor; and some clergymen and politicians insist simply that gambling is morally wrong.

Unfortunately for the critics, the public seems increasingly unconcerned with such views. Gambling is a "victimless" crime and a hazy one at that; many citizens who don't even bet are acquainted with bookmakers at their favorite restaurants or country clubs; they accept them as members of a service industry that is meeting a demand for action. "There is a national ambivalence about gambling laws," says a Justice Department prosecutor. "Sometimes it's manifested by leniency in the courts, sometimes by police tolerance, sometimes by political reluctance to pursue a gambling prosecution." And even when people do recognize that relatively "clean" bookies' money eventually finds its way into "dirty" underworld enterprises such as narcotics, they are less inclined to call for massive and often futile crackdowns than simply to legalize it and keep the money "clean"—and taxable. "We let a business grow to a point where it's No. 1 or 2 in the nation," groans a top Internal Revenue Service officer, "and we're hardly getting any of the action."

As for the allegedly inequitable burden on the poor, gambling sources argue that inner-city residents are playing the numbers anyway—to the extent of $1.5 billion annually in New York alone—and that legal lotteries can compete for that trade and at least steer some profits back into welfare programs or education. "The average numbers bet in Bedford-Stuyvesant is 32 cents," says Ralph Salerno, the organized-crime expert for New York's OTB Corporation. "This means that a fifty-cent lottery can compete for the daily small player's business." Thus far, New York's lottery has made few inroads into the intimate, personalized trade offered by numbers runners in the ghettos; but New Jersey officials estimate that they have siphoned off as much as 15 per cent of that state's numbers action into the lottery.

In addition, a customer survey commissioned by New York's OTB last fall revealed that OTB was catering to a large proportion of single male bettors of higher-than-average socioeconomic status; of 1,126 people interviewed, 57 per cent earned over $10,000 a year and 78 per cent had finished at least high school. "Many of our customers have endured computer breakdowns and delays, instead of utilizing the convenience and credit that bookies can offer them," says Salerno. "This proves that many decent citizens actually prefer to bet legally."

Gamblers Anonymous can cite cases of such decent people ruining their lives by betting; and some of the tales of GA members are indeed sordid. "Sure it can be abused," replies Salerno. "But so can an automobile." And most of the millions whom GA would like to help are apparently either unaware of or content with their "disease"; some even jest at the idea that they need a cure. "I went to a GA meeting once," reports a Brooklyn cab driver named Victor. "Aqueduct had just closed for the winter, so I had some time, and a guy took me. I stood up and confessed that I couldn't stop betting, and I drove two shifts a day to support my habit. I told them I was so degenerate that as soon as I walked out of the meeting, I would probably drive four hours to Bowie in Maryland to play the horses. When I finished, three members were waiting for me 'Hey Vic,' they said, 'You got room for us in the car?'"

Some gamblers consider four-hour drives to tracks and pilgrimages to major sports events as sacred rituals, but millions of Americans also share in the gambling culture by venturing no farther than neighborhood gatherings for social gambling. From the international backgammon matches where tens of thousands of dollars change hands down to the ubiquitous penny-ante "Monday night out" poker games across the country, the total amount of such action is beyond anyone's guess.

While every major city has its share of high-stakes draw and stud poker games in its posh hotels and apartments, the draw poker capital of the country, oddly enough, is little Gardena, Calif. The California Legislature banned games of chance in 1891 but excluded draw poker, presumably considering it the one true game of skill. There are now 400 poker parlors in 176 communities; Gardena, a Los Angeles suburb, has six parlors that handle about $15 million a year and pay a healthy $612,000 in taxes. Many of the customers are elderly, and the action accelerates with the arrival of monthly social-security checks; through the years the regulars have picked up Runyonesque nicknames (Dirty-Mouth Paula, Banana-Nose Louie), and a reputation as some of the most dedicated gamblers in the country. One night, according to one story, a 75-year-old woman slumped to the table during a two-and-four dollar game. An attendant pronounced her unconscious or dead and called an ambulance. The game continued around her until the ambulance arrived. Then as the lady was being wheeled out, one player called, "Okay, we got a free chair. Bring us a live one."

The counterparts to this kind of gambler are legion, and they make up a market that assures almost any legalized gambling operation of prosperity. Yet offtrack betting and lotteries have proved to be anything but an instant panacea. Initial lottery programs in New Hampshire and New York floundered, for example, because they failed to offer quick and accessible action; tickets were overpriced and drawings for winners were too infrequent, so gamblers never really got involved. It was only last year that New Jersey hit upon a viable formula. Tickets were sold for only 50 cents and drawings were held every week—and the response was amazing. The lottery has produced more than ten times the revenue projected by its advocates, and other states have rushed to copy the New Jersey model.

A REMARKABLE JOB

As head of OTB, New York City's Howard Samuels has done a remarkable job in building a multimillion-dollar industry from scratch in less than a year. But he is still struggling to overcome huge problems with his computers and to provide steady and efficient service. He has also been hampered by his failure to hire experienced gambling personnel; just recently, for example, OTB aroused public anger with an outrageous blunder in handling a Superfecta race. Perhaps most important of all, Samuels has been handicapped by the ill-designed OTB legislation itself, which deprives tracks and horesemen of anything approaching a fair share of the action.

Samuels has proposed remedial legislation to give the tracks more and insure the health of the industry—which is clearly essential to the long-range health of OTB. The tracks, distressed by drastic declines in their business—only partly caused by OTB—have rejected his plan as inadequate and sought legislation that would give them a much greater role in OTB, at the direct expense of Samuels and the possible expense of the city OTB was set up to help. The drama is being enacted against the backdrop of a recent strike at Aqueduct and threats of future boycotts by horsemen; the entire gambling industry is anxiously awaiting its resolution—and other states hope to learn from the mistakes and arguments in New York. And despite demands for lotteries and offtrack betting, not all lawmakers have been in a rush to establish OTB programs in other states. Just last week, the Maryland Legislature killed an off-track-betting bill that had been vigorously backed by Gov. Marvin Mandel.

The short-term problems should make all legislators approach gambling cautiously; but the long-range possibilities are so enticing that the gambling boom seems certain to grow even bigger in the years ahead. A short-lived midwinter OTB television show from Monticello Raceway was shut down by the opposition of some track owners, but not before it showed that intelligent use of that medium could multiply wagering beyond the fondest hopes of track operators and OTB officials alike. Beyond that, there is the likelihood of legalized betting on all sports, which would allow governments into the broadest gambling market of all. And there have already been suggestions that casino gambling could save decaying resort towns such as Atlantic City, N.J.—and might even help New York to raise funds and simultaneously give new meaning to the term Fun City.

These visions are utopian to some and frightful to others, and they obviously won't be accomplished without leadership that is bold, wise and alert to countless challenges and problems. But there is no question that advocates of legal gambling will always have an invaluable ally in the American gambler himself. As gambling proliferates, it is only natural to pose the question: Will the source ever run dry? One answer lies in the continued expansion of illegal wagering. Few bookmakers have ever complained about a shortage of clients. But the larger answer lies in the gambler himself, that resilient figure who has endured all the centuries of unfriendly cards and bad bounces and slow horses—even those loaded dice at Pompeii—only to emerge at center stage in the 1970s, approaching the era of legalized betting with his hopes and dreams still intact, waiting as patiently as ever for that good one that runs tomorrow.

HOW TO GET THE MONEY WASHED

While almost everyone has been exposed to some aspect of the gambling explosion, many citizens may remain confused by the many forms that betting can take and the terminology that describes it. As a guide to the innocent, Newsweek offers a glossary of gambling phrases—along with hints on the realities of the betting world:

BOOKMAKER

Whether he runs your corner candy store or a multimillion-dollar office, he's the man who can accept a bet, extend credit and meet clients weekly to pay or collect. Some bookies can be almost fatherly, buying drinks, listening to problems, even giving losers added time to pay. Others respond to insolvent losers with a harder line: "When I lose, I pay."

CALL BACK

The most common way of placing a bet by phone. Wary of wiretaps on direct calls, most bookies require bettors to call an answering service and leave a code name and phone number. They return the calls from pay phones or from apartments that have been made "safe" by payments to police.

MONEY-WASHING

A general term for the many ways in which illegal bookmakers make their profits repectable or "clean"—and thus easy to spend. Obviously a man with a handsome six-figure income wants to live accordingly; but as he spends money in a visible way, he must account for it. For this purpose he may buy a bar, restaurant or, fittingly enough, a car wash, and declare it as the source of his income. Another form of "washing" involves the simple shuffling of currency. Since most bookies and loan-sharks pay customers in large bills and collect in small ones, they often need to trade in small bills for large ones. One man hired for this purpose dutifully "washed" $100,000 a week for mobsters. Then he couldn't resist using the money for one shot at the races. He lost half of it. "When I went to tell them, I had terrible visions of shattered kneecaps," he said. "But they were understanding. All they did was take over my business."

NUMBERS

Sometimes called the ghetto dwellers stock exchange, the numbers racket is a daily lottery based on the day's racing payoffs. Although the Mafia controls the racket from the top, its operations are handled by intricate inner-city networks of "banks" and runners—some of whom are among the best-known citizens of their communities. The industry rakes off about 40 percent of the handle. This is slightly less than legal lotteries take, but the legal system offers an added bonus: a big winner won't find that his friendly neighborhood runner has vanished with the loot.

PITCHER LINE

The odds that govern baseball betting, generally influenced by who is pitching each day. A prospective baseball bettor receives the line on the game in the form of two numbers—6½–7½, for example. This means that if he likes the favorite, he must put up $7.50 to win $5; if he wants the underdog, he puts up $5 in hopes of winning $6.50. The unpaid dollar in the middle sends the bookie on his Acapulco vacation.

POINT SPREAD

The equalizing factor that governs betting on football, basketball and hockey. The favorite must win by more than the point spread to win the bet. If Dallas is favored by 7 over Miami, for example, a 20–14 Dallas victory is a victory for those who bet on Miami and a loss for Dallas bettors; a 22–14 Dallas triumph, however, rewards Dallas backers. The point spread has done almost as much as television for the popularity of pro football.

PUSH

A game that falls precisely on the point spread, so bettors don't win or lose. If 7-point-favorite Dallas beat Miami, 21–14, all bettors would "push"—a result that most gamblers find frustrating after sweating out three hours of tense action.

TOUT

A self-proclaimed expert who advises bettors on what horses or teams they should bet. In return for his services, the tout demands a share of all his clients' winnings; he does not, of course, contribute to losses. Many gamblers consider touts to be the lowest form of parasitic life; others save even more scorn for the suckers who listen to them. The late turf writer Joe Palmer probably summed up the matter best: "As to the encounter between tout and foe, the one brings sharpness, a polished tale, an elementary sense of psychology and, of course, dishonesty. The other brings dumbness, money and the desire to profit by larceny he wasn't smart enough to create in the first place. How can you take sides?"

VIGORISH

The percentage of all betting handle that goes to the bookie, the racetrack or whoever else is running the action, stacking the game hopelessly against the bettor. It is also called vig or juice, but most gamblers prefer not to speak of it at all. It is, after all, an invisible, painless form of paying for gambling services, and to dwell on it would only interfere with the sustaining delusions of most gamblers, who are more than content in the gloriously illogical conviction that the next bet is the big winner.

H.R. 2386

A bill making it a Federal crime to engage in numbers wagering except in national drawings the proceeds of which shall be apportioned among the Law Enforcement Assistance Administration, the Department of Health, Education, and Welfare, and such States as may elect to participate therein

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 95 of title 18 of the United States Code (relating to racketeering) is amended by adding at the end thereof the following new section:

"§ 1955. Engaging in numbers games

"(a) Whoever in the United States conducts, assists in conducting, places a wager in or receives a wager placed in, or otherwise engages in any numbers, policy, bolita, or similar game shall be fined not more than $5,000 or imprisoned for not more than one year, or both.

"(b) This section and section 1953 shall not apply to any national lottery conducted by the National Lottery Commission."

SEC. 2. (a) There is hereby established a National Lottery Commission (hereinafter in

this Act referred to as the "Commission") to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. For administrative purposes, the Commission shall be treated as part of the Alcohol, Tobacco, and Firearms Division of the Internal Revenue Service.

(b) Each member of the Commission shall receive compensation at the annual rate of $40,000.

(c) The term of office or members shall be five years. A member shall be eligible for reappointment once but not a second time.

(d) Any vacancy in the Commission shall be filed in the same manner as the original appointments to the Commission. Vacancies in the Commission, so long as there are two members in office, shall not impair the powers of the Commission to execute its functions under this Act, and two of the members in office shall constitute a quorum.

(e) Members of the Commission shall have had prior experience and training in law enforcement and demonstrated exemplary records in positions of public trust and responsibility either State or Federal.

(f) Not more than two members of the Commission in office at any time shall be members of the same political party.

(g) The Commission shall prescribe such rules and regulations, and employ such personnel, as may be necessary in the exercise of its functions under this Act.

SEC. 3. The National Lottery Commission shall conduct a national lottery at least once each month. It shall conduct a national lottery more frequently if it deems fit, and daily, in its discretion, when and as electronic equipment and technology renders daily drawings feasible.

SEC. 4. (a) The Bureau of Engraving and Printing in the Department of the Treasury shall print numbers on stamps in sheets of one hundred. The Bureau shall use the latest means to prevent the ability to counterfeit such stamps.

(b) The Commission shall distribute these sheets to the post offices located throughout the United States either in participating States or in exclusively Federal areas. While such post offices shall be the primary outlets for each distribution of stamps, the Commission may from time to time provide for additional outlets for such distributions.

(c) The price of each numbered stamp shall be established by the Commission but shall not be less than 25 cents.

(d) Stamps may be sold, for cash only, by the post offices (or other outlets) to any adult applying therefor, either singly or in quantity and may be resold by original and subsequent purchasers. Stamps purchased in any multiple of one hundred shall be sold by post offices at a discount of 10 per centum. No official identification or other form of accreditation may be required of any person purchasing or reselling such stamps.

(e) The stamps shall be bearer stamps and shall be honored for prize money by presentation by the bearer thereof.

(f) The Commission shall reimburse the Post Office Department for such additional administrative expenses as it may incur by reason of the enactment of this Act.

SEC. 5. (a) In the case of any lottery the pay-out for the winning numbers shall not be less than 40 percentum of the net proceeds of that lottery less the amounts payable under section 6. Such pay-out shall be distributed as follows:

(1) one winning number shall receive one-half of one percent of the net proceeds; and

(2) other winning numbers shall share equally in 39½ per centum of the net proceeds.

(b) Illustrative example: If the net proceeds (that is, the gross receipts less administrative expenses authorized by this Act) of any drawing (whether monthly or more frequently) are $100,000,000, the pay-out to individual winners will be $40,000,000 distributed as follows:

(1) one individual winner will receive $500,000, and

(2) Seven thousand nine hundred individual winners will receive $5,000 each.

(c) Any amount received by an individual by reason of holding a winning number in a national lottery conducted under this Act shall be exempt from all taxation, Federal, State, or local.

(d) Any individual holding a winning number may establish his entitlement by presenting the winning number to any post office at which stamps for such lottery were available for sale. Upon presentation, the postmaster or other person in charge of such outlet shall certify that the individual has presented that number; and, after certification by the National Lottery Commission that it is a winning number and the amount of the winnings, the number shall be transmitted to the Commission for issuance of its draft in payment therefor.

(e) Prize money remaining unclaimed thirty days following the drawing shall be held by the Commission in escrow account for one year thereafter. Prize money unclaimed on the four hundredth day following the drawing shall escheat to the general funds of the United States Treasury.

SEC. 6. (a) Any of the several States may elect not to participate in such national lotteries by so certifying to the Commission on or before the ninetieth day after the date of the enactment of this Act. Any State which does not so elect and certify shall be a participating State.

(b) On or before the 10th day after the close of each calendar month the Commission shall distribute among the several participating States 5 per centum of the net proceeds of any national lottery for which the drawing was held during such month. The share of each participating State in any such distribution shall be determined on the relation of its population to the population of all participating States.

(c) On or before the 10th day after the close of each lottery participating States shall each receive an additional distribution in an amount equal to 10 per centum of the proceeds to any national lottery from the sale of such stamps within the borders of that State.

(d) For purposes of this Act, the term "State" includes the District of Columbia and any Territory of Trust Government of the United States.

SEC. 7. The net proceeds of national lotteries in excess of amounts needed for the pay-outs to holders of winning numbers provided by section 5 and for the distributions to participating States provided by section 6 shall be deposited in the Treasury of the United States and shall be credited as follows:

(1) the first $100,000,000 so deposited in each calendar year shall be credited to the account of the Law Enforcement Assistance Administration for use by that Administration cooperatively with the several States (whether or not such States are participating States within the meaning of section 6) in fighting crime, and

(2) the remaining amount so deposited in each calendar year shall be credited to the account of the Department of Health, Education, and Welfare for use by that Department to assist in the financing of such programs concerned with health, education, and welfare as may be entrusted to its administrative responsibility by the Congress from time to time.

SEC. 8. (a) Chapter 61 of title 18 of the United States Code (relating to lotteries) is amended by adding at the end thereof the following new sections:

"§ 1307. National lotteries

"Sections 1301 to 1304, inclusive, of this chapter shall not apply with respect to any national lottery conducted by the National Lottery Commission.

"Whoever forges or counterfeits any stamp made for purposes of a national lottery conducted by the National Lottery Commission; or

"Whoever alters any number on such stamp; or

"Whoever robs, purloins, or steals such a stamp; or

"Whoever offers for sale or sells any such forged, counterfeited, altered, or stolen stamp, knowing it to be such; or

"Whoever presents any such forged, counterfeited, altered, or stolen stamp to any person engaged in carrying out a national lottery with intent to defraud the United States or any participant in any such lottery—

"Shall be fined not more than $50,000 or imprisoned for not more than ten years, or both.

"§ 1308. Sale of national lottery stamps at outlets in non-participating States prohibited

"(a) Whoever offers for sale or sells any national lottery stamp within the borders of a State which has elected not to participate in national lotteries and has certified such election within the time prescribed by law shall be fined not more than $5,000 or imprisoned for not more than one year, or both."

(b) Section 4005 of title 39 of the United States Code is amended by adding at the end thereof the following new subsection:

"(d) This section shall not apply to any stamp made for purposes of a national lottery conducted by the National Lottery Commission or to any other matter related to such a national lottery; and nothing in this section, section 4001, or any other provision of law shall be construed to make such matter nonmailable."

SEC. 9. (a) This Act and the amendments made thereby shall apply notwithstanding any other provision of law.

(b) Any law of the United States which is inconsistent with this Act or any amendment made thereby is, to the extent of such inconsistency, hereby repealed.

(c) This Act and the amendments made thereby preempt any law of any State in conflict therewith, and no law of any State shall authorize any similar drawing: *Provided, however,* That nothing in this Act or the amendments made thereby shall be construed to invalidate existing State laws permitting the conduct and operation of sweepstakes related to parimutuel racing.

(d) If any provision of this Act (including any amendment made thereby), or the application of any such provision to any person or circumstances, is held invalid, the remaining such provisions, or the application of such remaining provisions to other persons or circumstances, shall not be affected thereby.

SEC. 10. This Act shall take effect on the day on which this Act is enacted. The first three members of the National Lottery Commission shall take office not later than sixty days after such date of enactment.

MEMORIAL TO SENATOR ROBERT L. OWEN

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 5 minutes.

Mr. PATMAN. Mr. Speaker, on February 3, 1971, a memorial was dedicated to Senator Robert L. Owen by the Cherokee National Historical Society. As the following correspondence indicates, Senator Owen was one of the founders of the Federal Reserve System. He was, in fact, coauthor of the bill with Senator Glass and had played a major role in pressing for currency reform during the decade which preceded the founding of the system.

Senator Owen was the first chairman of the Senate Banking and Currency Committee, having been instrumental in winning approval for the formation of the committee in 1913. He served in this capacity with distinction and won recognition for his numerous contributions to the development of monetary and economic thought. After leaving the Senate, he continued to serve the Congress and the people by acting as an advisor on much of the important banking legislation of the 1930's.

Mr. Speaker, I am pleased to offer the following correspondence in testimony to the achievements of the late Senator Robert L. Owen of Oklahoma.

FEDERAL RESERVE SYSTEM,
Washington, D.C., April 28, 1972.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PATMAN: I know how dear to you is the memory of Senator Robert Owens, and I therefore think that you will be interested in the copies of the enclosed correspondence.

Sincerely yours,

ARTHUR F. BURNS.

NORTHEASTERN STATE COLLEGE,
Tahlequah, Okla., April 12, 1972.

Dr. ARTHUR F. BURNS,
Chairman, Board of Governors, Federal Reserve System, Washington, D.C.

DEAR DR. BURNS: On February 3, 1971, the Cherokee National Historical Society dedicated a memorial to Senator Robert Latham Owen, an Oklahoman of Cherokee ancestry, who distinguished himself as teacher, editor, lawyer, banker, businessman, and statesman. Mr. George H. Clay, President of the Federal Reserve Bank of Kansas City, and Mr. W. W. Keeler, Chairman of Phillips Petroleum Company and Principal Chief of the Cherokee Nation, delivered commemorative addresses at the dedication ceremonies held at Tsa La Gi. Mr. Clay, at a luncheon held on the campus of Northeastern State College, described the contributions of Senator Owen to the development of the federal reserve system.

Located in the historic capitol city of the Cherokee Nation, Northeastern State College is aware of the important contributions which have been made and are being made by the Cherokees and by the members of other Indian tribes and nations and we want other people to know of these contributions. We hope that the enclosed brochure, containing the remarks of Mr. Keeler and Mr. Clay, will contribute to a greater understanding of the role that Indian-Americans have played in the development of our country.

Sincerely yours,

R. E. COLLIER,
President.

FEDERAL RESERVE SYSTEM,
Washington, D.C., April 27, 1972.

Mr. R. E. COLLIER,
President, Northeastern State College, Tahlequah, Okla.

DEAR MR. COLLIER: I greatly appreciate your courtesy in sending me the brochure containing the remarks of Mr. W. W. Keeler and Mr. George H. Clay on the occasion of the dedication of a memorial to Senate Robert Latham Owen by the Cherokee National Historical Society. As Mr. Clay indicated in his remarks, I have long felt that Senator Owen's important role in the founding of the Federal Reserve System deserved special recognition and I am pleased that the Federal Reserve was given an opportunity to participate in the dedication of the memorial in the Sherokee Hall of Fame at Tsa La Gi. I regret that my own schedule did not permit me to attend the ceremonies.

Sincerely yours,

ARTHUR F. BURNS.

INADEQUATE FUNDING FOR FEDERAL IMPACT AREA AID—AN EDUCATION CRISIS FOR ALASKA

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. BEGICH) is recognized for 15 minutes.

Mr. BEGICH. Mr. Speaker, I am sure you are aware of the disastrous reductions being asked by the administration for Public Law 81–874, providing impacted area aid funds for education. Because the impact of the Federal Government is so substantial in Alaska, these cuts will be particularly harmful there.

My recent testimony before the House Appropriations Subcommittee set out this problem in Alaska, and emphasized the problem by utilizing the opinions of numerous school districts in the State. So that these facts might be widely known, I ask that this testimony be included in the RECORD today.

TESTIMONY OF ALASKA CONGRESSMAN NICK BEGICH

Mr. Chairman: Thank you for the opportunity to appear before this Subcommittee on this vital issue of the education budget for Fiscal Year 1973. I realize the Committee has a great number of individual items to consider, and for that reason I will limit my remarks to a single topic which is of vital importance to Alaska. This is the budget for FY 1973 for impacted area aid funds under Public Law 81–874.

I cannot begin without calling the direct attention of this Committee to the requested overall budget for Impacted Areas Aid which has been reduced from $592.6 million in FY 1972 to only $415 million for FY 1973, an almost incredible reduction of $177.6 million.

The reason for this reduction given by the Office of Education was that the entire program is being restored to its original legislative intent, which was to give financial assistance to districts heavily impacted by children associated with federal government operations, mainly military. I suspect the cuts also relate to the domestic austerity this country is now being asked to bear.

Mr. Chairman, such thinking entirely neglects two basic factors which this committee will consider, I am certain. First, is the point that a cut in these funds totaling nearly one-third of the prior years level is unprecedented, and comes absolutely without warning to the hundreds of school districts across the Nation which rely on these funds as a vital part of their budget. The impact of this loss on planning is incalculable, and I will have more to say on this later.

Second, the reduction comes without the slightest indication as to how the deficiency can be made up, aside from going back to the overburdened property taxpayers for even more money. No new appropriations for Federal education assistance, or for Indian education, are mentioned. Let me be very direct in saying that this reduction of $177.6 million in the area of education, is the sort of "savings" that is very expensive in the long run.

With specific regard to Alaska, it is my intention to let the people speak for themselves. My own examination of the requested appropriation for Alaska, however, discloses that of the twenty-six school districts in Alaska applying for aid under P.L. 81–874, only six stand to gain funds under FY 1973 budget, and those only by the narrowest of margins. The rest suffer substantial losses.

The effect of such losses on individual school districts is demonstrated in the following letters from various districts in my state. They speak far more eloquently than I on this matter. I conclude my remarks to the Committee by adding these letters for your consideration, and requesting that, at the minimum, the Fiscal Year 1972 level of appropriations be continued for Fiscal Year 1973.

Thank you.

ST. MARYS PUBLIC SCHOOLS,
St. Marys, Alaska, April 7, 1972.

Hon. NICK BEGICH,
Representative for Alaska, U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE BEGICH: This school district depends upon P.L. 874 for its continued financial health. Since the economy of the community is basically subsistence with a few part and full time jobs the school district expects no more than token support from local tax revenues—indeed the other needs of the community are so great that the proportions of revenue for schools is expected to remain small for many years to come.

P.L. 874 funding comes to us in lieu of property taxes and in practical terms is treated as local tax revenue for schools—*any* cut is a severe cut because we have no revenue to turn to in its place. A cut from $20,206.00 to $10,706.00 represents nearly a 50% reduction in available revenue.

At this time taxable real property in the district totals $231,500 and taxable personal property totals $91,000 for a total taxable property valuation of $322,500. To raise the difference in PL874 from real property taxes we would be required to levy a 41 mil tax—a bit unreasonable it would seem. Even to tax real and personal property at the same rate it would take nearly 30 mils to raise the $9,500.00 difference.

If anything, we should be funded 100% rather than cut to a lower level. Perhaps a worthwhile concept would be to set a cut off point in terms of local property valuations so that districts below the cut off could be fully funded and cuts then could be applied to districts which have sufficient property to tax to make up the PL874 reductions.

Sincerely,

JOHN KERR.

KETCHIKAN GATEWAY
BOROUGH OF SCHOOL DISTRICT,
Ketchikan, Alaska, April 7, 1972.

Hon. NICK BEGICH,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR NICK BEGICH: Thank you for your attention to our concerns about the cut

to Ketchikan school district of 874 entitlement funds this fiscal year. We hope you have success in securing legislation that will allow us a "wind-down period" in our anticipated revenues.

We have another concern relative to 874 monies based upon a OE print-out receipt from your office. We identify an additional cut during next fiscal year. Our cut for this FY in revenue was brought about by transferring the local Federal Building to the U.S. Postal Service negating the 874 revenue entitlement for that facility. The Post Office occupies the first floor only, the other four floors house other Federal agencies, for example, Customs, Immigration, Bureau of Indian Affairs, U.S. Coast Guard Marine Inspection, U.S. Forest Service, jail and Superior Court System, U.S. Marshal's office, Medicare and Social Security offices. The Post Office occupies, at most, one-fifth of the plant.

Evaluating further, the initial cut will cost us approximately 30% of our entitlement this year. The second cut will take from us another 35%. The dollar entitlement this year, under the old system, was $72,919.00. Under the new system, if that is what it is, the dollar entitlement will be $40,047.00.

Wearing my other hat, that of a Borough Assemblyman, I planned to make an attempt to place the Federal Building on our Borough tax roles, except that the idea died aborning because of another Federal regulation. We can't tax the Federal Building, federal property!

We are not asking the Federal government to carry what is rightfully a local tax effort. If our present school budget proposal is accepted as submitted April 1, 1972, an additional 5 mil tax effort will be levied locally. You recognize we are merely seeking what in the past has been considered a fair and equitable participation by the Federal government in lieu of local taxes.

We appreciate your efforts on our behalf and hope the foregoing will be of value to you in any testimony you might give before any committees relative to the matter of 874 monies.

Sincerely,

C. G. FADER,
Director, Vocational Education.

State, congressional district and appl. school district name	(A) payment 1972 appro.	(A) payment 1973 prop.	(B) payment 1972 appro.	(B) payment 1973 prop.	5 percent TCE	Hardship	Total (A)+(B) 1972 appro.	Total (A)+(B) hard. 1973
ALASKA (157)								
Greater Anchorage Area Borough School District	16,123	19,247	1,736,636	990,509	2,174,983	742,903	1,752,659	1,009,756
Ketchikon Gateway Borough School District	3,897	12,510	69,022	34,404	129,108	26,005	72,919	46,914
St. Mary and S City School District	5,629	7,699	14,577	0	9,500	85,000	20,206	10,706
Wrangell Public Schools	0	0	11,064	481	40,037	10,583	11,064	481
Petersburg public school district	865	962	18,616	4,090	43,549	14,429	19,481	5,052
Alaska Department of Education	16,721,294	16,871,293	488,649	477,037	1,047,130	138,387	17,209,943	17,348,330
Matanuska Susitna Borough School District	35,078	38,976	57,782	4,330	100,180	49,554	92,860	43,306
Bristol Bay Borough School District	32,239	32,720	13,699	0	26,185	13,218	45,938	32,720
Craig Public School District	2,164	2,405	5,093	0	6,203	4,852	7,257	2,405
Kake City School District	432	8,661	23,183	0	11,459	114,593	23,615	12,156
Dillingham City School District	42,344	61,592	10,110	0	38,060	9,238	52,354	61,592
Kenai Peninsula Borough School District	87,047	96,719	71,481	27,427	388,311	34,382	158,528	124,146
Greater Haines Borough School District	865	962	7,727	0	30,546	7,630	8,592	962
Nome School Board	22,518	25,021	19,846	0	68,039	17,343	42,364	25,021
Fairbanks North Star Borough School District	10,826	12,029	376,200	64,237	585,492	310,760	387,026	76,266
Greater Juneau Borough School District	12,558	24,540	178,792	42,103	230,273	124,707	191,350	66,643
Klawock City School District	4,763	5,293	8,079	0	3,097	3,097	12,842	9,745
Nenama Public Schools	6,929	9,623	3,863	0	8,813	6,169	10,792	9,623
Hoonah Public Schools	55,336	76,990	12,996	0	17,387	8,658	68,332	75,990
Corodova City School District	1,731	1,924	7,727	5,774	36,711	1,760	9,458	7,698
Greater Sitka Borough School District	136,850	159,755	37,409	6,495	105,315	8,009	174,259	166,250
Kodiak Island Borough School District	86,614	101,049	41,697	11,307	183,411	15,355	127,711	112,356
Hydaburg City School District	0	0	7,376	0	2,135	2,135	7,376	5,241
Yakutat City School District	7,699	9,623	1,229	0	6,850	695	8,928	9,623
King Cove City School District	0	16,841	6,147	0	2,458	10,694	6,147	16,841
Unalaska City School District	6,495	13,473	5,444	0	5,918	1,534	11,939	13,473
Congressional district total (26)	17,300,196	17,609,907	3,233,744	1,668,194	5,311,150	1,239,644	20,533,940	19,294,296
State total (26)	17,300,196	17,609,907	3,233,744	1,668,194	5,311,150	.....	20,533,940	19,294,296
ARIZONA (001)								
Mesa Elementary School District No. 4	87,910	157,313	149,360	64,431	448,495	.....	237,270	221,744
Mesa High School District No. 207	24,367	92,537	57,917	46,609	275,663	.....	82,284	139,146
Glendale Upper High School District No. 205	0	0	48,410	20,905	422,768	.....	43,410	20,905
Scottsdale Common School District No. 48	0	0	63,046	32,044	627,156	.....	63,046	32,044
Tempe Upper High School District	0	0	18,513	25,361	168,219	.....	18,513	25,361
Fowler Elementary School District No. 45	0	0	4,012	5,483	5,717	.....	4,002	5,483
Chandler Elementary School District No. 80	0	1,028	49,161	60,661	96,674	.....	49,161	61,689
Cartwright School District No. 83	0	0	198,397	187,810	278,402	.....	198,397	187,810
Dysart High School District No. 218	77,114	77,114	4,128	5,654	32,141	.....	81,242	82,768
Gila Bend High School District	6,168	7,197	250	171	10,675	.....	6,418	7,368

KENAI PENINSULA
BOROUGH SCHOOL DISTRICT,
Soldotna, Alaska, April 4, 1972.

Hon. NICK BEGICH,
Congressman for Alaska,
Longworth House Office Building,
Washington, D.C.

DEAR MR. BEGICH: The Kenai Peninsula Borough Board of Education is concerned as other Alaskans are, with the proposed cutback of funds for the Public Law 874 Program for fiscal 1973. We wish to go on record requesting the full restoration of these funds.

Last year our P.L. 874 allotment was reduced by $39,459 because of the reduced appropriation. Based on the same number of pupils as last year we will suffer a further reduction of $34,382 in fiscal 1973 if the Presidential Budget proposal stands. This is a reduction of $73,841 from our total entitlement or a reduction of thirty-five percent.

We are attempting to hold a maintenance type budget for fiscal 1973 because of the financial problems plaguing the State of Alaska. Because of the financial problems of the State we do not anticipate any additional State revenues for the operation of our district in the coming year. The result has been that we are now proposing a 70% increase in local effort for next year in order to maintain the programs and staff that we have for the current fiscal year.

If we are to take a further reduction in our P.L. 874 revenue it will mean that we will have to reduce our educational program, as we are now straining the limit that can be raised from local funds.

The percentage of our various budgeted revenues for operation are: Local Revenue, 21.8%; State Revenue, 77.2%; and Federal Revenue, 1.0%.

We realize that budgets are being squeezed throughout the country and throughout the government, but we believe that if the proposed P.L. 874 cut is allowed to stand it will have a detrimental effect on the educational program in our district and in other districts as we will be forced to reduce our program.

We would urge and support your every effort to restore the Public Law 874 funding back to 100% of entitlement. Should your office require more information concerning the application of P.L. 874 funds in our district please let us know.

We would appreciate receiving word on any developments that take place concerning the P.L. 874 funding.

Sincerely,

RICHARD SWARNER,
Business Manager.

CITY AND BOROUGH OF
JUNEAU SCHOOL DISTRICT,
Juneau, Alaska, April 4, 1972.

Hon. NICK BEGICH,
House of Representatives,
Washington, D.C.

DEAR NICK: I am writing in response to your letter of March 24 regarding Federal funding under P.L. 874. The accompanying form will show that our receipts for the fiscal year ending June 30, 1972, is very similar to the figure mentioned in your letter.

Be assured that any efforts you can put forth to insure that the funding of the Federal P.L. 874 remain at its current level will be greatly appreciated. A cut of the magnitude proposed would be disastrous in terms of educational programs offered in Juneau.

Best personal regards.

Sincerely,

JOHN E. COFFEE,
Acting Superintendent.

NENANA CITY PUBLIC SCHOOLS,
Nenana, Alaska, April 4, 1972.

Hon. NICK BEGICH,
U.S. Representative, House of Representatives, Washington, D.C.

DEAR NICK: As you are aware, Alaska, perhaps more than any other State depends

rather heavily on PL 874 Impact Funds in lieu of taxes since such a large amount of the land is owned by the Federal Government. The steadily decreasing rate by which this act has been funded is an alarming fact with which Alaskan Administrators and School Boards have had to live.

The PL 874 funds in our District are approximately 50% each year of the City's local effort. If the funding rate continues to decrease it is readily apparent that the tax burden on the local property owners has to increase to compensate for those families which reside on Federal lands. This is one law that I feel should be funded 100% each year.

On behalf of myself and the Nenana City School Board I want to extend our congratulations on the fine job you have done to date and certainly hope you are able to convey to this committee the worth of funding PL 874 at a higher rate if not 100%.

Yours truly,

RICHARD W. LEATH,
Superintendent.

FAIRBANKS NORTH STAR
BOROUGH SCHOOL DISTRICT,
Fairbanks, Alaska, February 25, 1972.

Hon. NICK BEGICH,
House Office Building,
Washington, D.C.
In Re: Federal Impact Assistance
PL874

DEAR CONGRESSMAN BEGICH: Last year when this school district formulated the 1971–72 budget, it was anticipated that PL874 would yield a total of $520,000.00. A month or two ago we were informed that Congress had not appropriated our full entitlement, that we would be receiving only $380,000.00, leaving us with a shortage of $140,000.00.

This shortage is very serious to us and we would appreciate anything you can do to influence Congress to appropriate our full funding.

Sincerely yours,

DAYTON BENJAMIN,
Acting Superintendent of Schools.

PETERSBURG PUBLIC SCHOOLS,
Petersburg, Alaska, April 3, 1972.

Congressman NICK BEGICH,
House of Representatives,
Washington, D.C.

DEAR MR. BEGICH: Your letter of March 24, 1972 relative to proposed P. L. 874 cutbacks has been received.

P.L. 874 is very much needed in Alaska since so much of it is still Federal land. Your figures indicate a reduction of about 75% for Petersburg. This could result locally in the reduction of the staff by one member.

If we were to receive for FY 73 only the amount your figures indicate, it would hardly pay the district to participate. It does take a good many man-hours to conduct the survey and attend to the necessary paper work.

You are urged to oppose any proposal that would reduce the monies that would otherwise come to the school districts in Alaska.

Yours truly,

D. W. SCHULTZ,
Supt. of Schools.

CRAIG CITY SCHOOL DISTRICT,
Craig, Alaska, April 6, 1972.

Hon. NICK BEGICH,
House of Representatives,
Washington, D.C.

DEAR MR. BEGICH: The proposed cut in PL 874 as presented in the 1973 Presidential Budget would be a devastating blow to our entire financial system. This one single cut would put the City of Craig in a financial crisis.

This city of 300 people is presently $107,000 in debt. We have just budgeted for an additional $50,000. If we must now start putting another $5,000.00 in our budget from local sources, we can not pay our current bonded indebtedness. The $5,000.00 cut to Craig may seem like pocket change to men in Washington, but it can almost bankrupt us.

How in the world are we suppose to encourage federal development if the federal government is not willing to do their part in supporting local communities. PL 874 has long been a fairly agreeable way of Uncle Sam doing his part in the community for education. Now when the entire country needs additional funds to run their schools, here comes another cut.

We are required by law to pay a certain per cent of the total budget from the local level. The purposed PL 874 cut will jeopardize our financial system and therefore our educational programs as a whole. Let's think of the kids, after all, thats who the schools are for. Please be assured of this district's backing in what ever action you may feel is necessary in maintaining the current level of funding. Best of luck when you testify and please fight for quality education through adequate funding.

Sincerely,

STANLEY L. BIPPUS.

ALASKA STATE-OPERATED
SCHOOL SYSTEM,
Elmendorf Air Force Base, Alaska,
April 5, 1972.

Congressman NICK BEGICH,
House of Representatives,
Washington, D.C.

DEAR NICK: Received the H.R. 13915 & 16. Can't say that I think either one gets to the problem—just one more band aid. It is too bad it takes a Florida election to make the administration and Congress see they have a problem. We are in a sad state when judges have to make laws and for that matter are even allowed to do so. My political science taught me they were to interpret law but enough of that.

Nick I think when Congress gets around to putting the money where the problem is we will get some place with the poverty education imput. It doesn't take much thinking to realize that it takes more money to educate a deprived youngster than one that has no problem. If a simple system could be worked out to simply give the Principal of those schools more money for each student than the district provides on the average I am sure the Principal will improve the quality of education. We hardly need the help of instantaneous experts to tell us what to do. Jon Buchholtz & Co. what very simply is needed is people and materials to make a difference in the product output. The problem with this suggestion of course is that it is too simple and does not require a research grant of half of the available funds. I guess there are no simple answers to complex problems but I tried.

The integration problem was not created by schools nor in my opinion will it be solved by schools. The segregation of people is economic and political. Therefore until that can be solved not much of importance will happen. Housing patterns create the problems and I am sure in a few cases political attendance areas were at fault to me they would be a minor factor. But as you and I have talked before when a state or national crisis occurs people to turn to schools to solve the problem so I guess it was natural to overhaul schools to solve a problem not created by schools. Maybe we will someday spend transportation money to improve schools where they are and where the students are. Guess this is enough philosophy from an old North Dakota farmer.

Things have gone pretty well this year here. A couple of bad choices for Special Ed teachers and Carl and I decided to split. He is now at SOS. Don't know just what happened but it got to the place where I had to act so I did.

The bill in the legislature creating 12 SOS Districts looks like it might go. It would solve a lot of problems for many pepole. If it does I believe the On-Base set up would be a real boom to Alaska. It would be different as far as budget goes because a clean clear cut budget could be presented to the legislature based on 874 and they would understand it. The USOE would not argue about a much higher cost per pupil so it could become a model for Alaska. Even I could get excited about that possibility.

Let us know when you are going to make it back here again. We should get together for coffee. Keep up the good work Nick.

Sincerely yours,

HENRY G. BRYANT,
Superintendent.

HOONAH PUBLIC SCHOOLS,
Hoonah, Alaska, April 11, 1972.

Congressman NICK BEGICH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BEGICH: I am sorry for the delay in answering your letter of March the 24th of 1972. However, I have been out of town for the last two weeks on a recruiting trip and have not been able to answer this letter. The best information that I can give to you in regards to the PL–874 would be the inability at this point for us to collect taxes from our people in Hoonah. As you are well aware of the poverty condition of the people here and PL–874 money is what keeps this school district going without a tax base. Our present assessed value for real and personal property is one million eight hundred thirty eight thousand five hundred and seventy five dollars. As you are aware this makes a very limited tax base for operating schools. Our PL–874 represents fifteen percent of our present operating cost. A cut of any magnitude to this fifteen percent would very much jeopardize the educational system in Hoonah where it is extremely difficult for a school of our size without additional expenditures. We appreciate your effort on behalf of the Hoonah Schools and all the schools in Alaska where PL–874 money is essential for their operation.

Sincerely,

DONALD L. MACKINNON, Jr.,
Superintendent.

WRANGELL PUBLIC SCHOOLS,
Wrangell, Alaska, April 12, 1972.

Mr. NICK BEGICH,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. BEGICH: Thank you for calling to my attention the proposed cuts in Federal funding under P.L. 874.

Our budget for 1972–73 has already been prepared, and any reduction in funding would have a detrimental effect in our school operation. The anticipated enrollment for next year will be increased approximately five percent.

Your efforts to obtain full funding will be greatly appreciated.

Sincerely yours,

RICHARD R. MCCORMICK,
Superintendent of Schools.

MATANUSKA-SUSITNA
BOROUGH SCHOOL DISTRICT,
Palmer, Alaska, April 26, 1972.

Hon. NICK BEGICH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BEGICH: Please forgive the delay in our reply to your letter of March 24, 1972. I have been on an educational mission to Russia and just returned to my office this week.

Perhaps the following comments will be of

some interest and help to you, even at this late date.

In addition to the cut in the amount you mentioned under the 1973 Presidential budget, we will also be hurt by the following listed factors.

Fewer people employed on Federal property.

The Experiment Station being turned over to the University of Alaska.

More homesteads are patented now.

Many citizens work on the military bases and some military personnel live in our District. A cut back of military will definitely effect this District.

You can well understand how this will hurt the funding of our educational program. Anything you can do to assist in up-dating the aid from the amount to be budgeted, would be greatly appreciated. We would hope that assistance could be worked out whereby this established program would become more stable rather than replacing with other programs of a less permanent nature.

Thank you for your consideration.

Sincerely yours,

NORMAN S. ROUSEY,
Superintendent of Schools.

HAINES BOROUGH SCHOOL DISTRICT,
Haines, Alaska, April 3, 1972.

Hon. NICK BEGICH,
U.S. Representative from Alaska, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN BEGICH: Thank you for your letter of March 24. I appreciate knowing of the proposed cuts in Federal funding under P.L. 874.

It seems rather interesting to me to think of another possible cut in the funding of our school program. It appears that more and more local communities are being asked to pay more and more of a share in education when, ideally, it is the State and Federal responsibility to at least share, where they have an obligation to, with sufficient funds to make educational opportunities realistic.

We seem to be able to spend Federal funds for many many projects which should in reality have lower priorities than the education of today's youth.

Now, granted $8592.00 doesn't seem a great deal, but when we realize that it is equivalent to 5/8 of a mil, our local assessed evaluation, it does have a little meaning to a small community.

Further looking at this $8592.00, it is a far cry in local taxation values when one considers the true value of the U.S. Army Tank Farm and facilities in our area.

I do hope that you will do all in your power to see that public funding and P.L. 874 remains as it is at this time. We really believe in quality education and in young people—and what we need is more Federal funding at the district level rather than less.

Sincerely yours,

KARL WARD,
Superintendent.

KAKE PUBLIC SCHOOLS,
Kake, Alaska, March 30, 1972.

Hon. NICK BEGICH,
U.S. House of Representatives,
U.S. Congress,
Washington, D.C.

DEAR MR. BEGICH: Thank you for your letter of March 24, 1972 regarding proposed cuts in Federal funding under PL 874.

Kake is a small Southeastern Alaska village situated on Kupreanof Island and off the beaten path. The people here are solely dependent upon fishing as its main source of livelihood. Fishing being seasonal in nature and confined to the summer months does not always mean our local people are going to make enough money to properly provide their families with the necessities of present day living. No other opportunity for employment exists in the area, with the exception of the few people employed at the nearby logging camp. Housing in the village is below substandard. In general, this community is in great need for an economic development program which can provide some year round employment, to ease hardships being experienced by at least 85% of our local people.

Our school enrollment is increasing every year. We anticipate about 200 students for the 1972–73 school year. The people of Kake are making every effort to upgrade the educational program of this community and it takes money to operate any kind of effective program. With the type of economy that exists here, enforcing any kind of tax structure to offset school operational expenses, would be like taking the food out of the mouths of the children.

We cannot over-emphasize the great importance and need for the full Federal funding under PL 874 to carry on our educational commitment to this community. We cannot afford at this time, to short change the young people the future leaders of our state and country. Education holds the key to progress and for the fulfillment of a better way of life. We urge our Congressmen to oppose any kind of Federal educational budget cut.

We appreciate your concern and intent to champion for quality education in our country.

Sincerely,

JOSEPH M. KAHKLEN,
Superintendent.

PERSONAL FINANCIAL DISCLOSURE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, consistent with a practice I first adopted in 1963 and repeated in each succeeding year, I am placing in the CONGRESSIONAL RECORD, today, an accounting of my personal financial condition for the calendar year 1971.

As I have stated in the past in reports to constituents of Wisconsin's Second Congressional District which I represent, Members of Congress and holders of high elective office in general should make periodic public disclosures of their personal finances as a matter of course. Such statements are needed to provide the public with information that will enable them to assess whether their elected representatives' personal holdings have affected in any way, the performance of their public trust, and last year, I introduced legislation, H.R. 8360, which requires a complete public disclosure annually of all sources of income for Members of Congress, as well as members of the Federal judiciary and certain employees of the executive branch of the Government.

Mr. Speaker, a report of my personal financial condition for 1971 follows:

Statement of financial condition, Dec. 31, 1971

Cash on account with the Sergeant at Arms Bank, House of Representatives	$10.55
Riggs National Bank, Washington, D.C., checking account	7.10
Securities:	
Austral—100 shares, 16⅞	* 1,687.50
Solitron Devices—100 shares, 11⅞	* 1,187.50
Reynolds Metals—100 shares, 17⅞	* 1,787.50
Residential real estate:	
House, Arlington, Va. (assessed value)	69,650.00
Less mortage	43,077.67
Equity	26,572.33
Household goods and miscellaneous personality	6,600.00
Miscellaneous assets: Deposits with U.S. civil service retirement fund through Dec. 31, 1971, available only in accordance with applicable laws and regulations	28,660.07
Cash surrender value of life insurance policies:	
On the life of Robert W. Kastenmeier	none
On the life of Dorothy C. Kastenmeier	544.00
Donaldson Run deposit	300.00
Automobiles:	
1963 Oldsmobile	400.00
1971 Ford Thunderbird	4,200.00
Total assets	71,956.55
Liabilities	none
Net	71,956.55
Income for calendar year 1971, excluding congressional salary and expenses:	
Gain, sale of stock:	
Solitron Devices	.31
Banister Continental	480.35
Speaking honorarium (1)	440.75
Per diems (4)	189.08
Stock dividends	30.00
Total	1,140.49

* No longer held

LEGISLATION TO REIMBURSE COMMUNITIES FOR THE COSTS OF DEALING WITH DEMONSTRATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 10 minutes.

Mr. BOLAND. Mr. Speaker, I am joining my distinguished colleague from Massachusetts, Senator EDWARD W. BROOKE, in introducing legislation to help relieve the country's political subdivisions—its States and counties, its cities and States—of the staggering expenses they often bear in dealing with demonstrations. Already caught up in a financial squeeze of almost unprecedented severity, most State and local governments simply cannot cope with such expenses. The cost of police overtime, for example, or of mustering the National Guard diverts funds from the pressing social needs that every State and community now faces: schools, hospitals, building projects, vital services of every kind.

Chicopee, Mass., for example, a city in my congressional district, is now confronted with the burdensome costs of controlling a series of major antiwar demonstrations outside the gates of Westover Air Force Base. Hundreds of other communities throughout the United States find themselves in the same plight, threatened by the wholly

unforeseen costs of demonstrations against national policy decisions. It is conceivable, Mr. Speaker, that demonstrations could quite literally bankrupt a community, so thoroughly pillaging its treasury that it could no longer carry out municipal services.

The legislation I am introducing today would reimburse State, county, and local governments for the principal costs of dealing with demonstrations that arise from national policy.

The bill would authorize reimbursements from the Justice Department for the cost of overtime paid to law enforcement officers and court personnel, from the Department of Defense for the cost of deploying the National Guard.

The need for this bill is obvious: the diminishing financial resources of State, county and local government must not be jeopardized by demonstrations stemming from policy decisions made by the Federal Government—decisions on the Vietnam war, on busing, on environmental controversies, public works projects, on any comparable issue.

The Federal Government must assume responsibility for the consequences of its own actions.

Following is the text of the bill:

H.R. 14965

A bill to provide reimbursement to States and political subdivisions for police and National Guard overtime compensation incurred with respect to national policy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 31 of title 28, United States Code, is amended by adding at the end thereof the following section: 527. Reimbursement for police, National Guard and court personnel overtime compensation incurred with respect to disturbances relating to national policy.

"(a) Upon request of any State or political subdivision thereof, the Attorney General is authorized to reimburse as soon as practicable, such State or political subdivision for overtime compensation determined by the Attorney General to have been paid by that State or political subdivision to any law enforcement officer or employee of a court of that State as the result of overtime work performed by such officer or member with respect to any demonstration, riot, or other disturbance related to any national issue or policy.

"(b) The Attorney General is authorized to promulgate rules and regulations to carry out this section.

"(c) Upon request of any State or political subdivision thereof, the Secretary of Defense is authorized to reimburse as soon as practicable, such State or political subdivision for overtime compensation determined by the Secretary to have been paid by that State or political subdivision to any member of the National Guard as the result of overtime work performed by such officer or member with respect to any demonstration, riot, or other disturbance related to any national issue or policy.

"(d) The Secretary is authorized to promulgate rules and regulations to carry out this section.

"(e) For purposes of this section, 'State' includes the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico and any other territory of the United States."

(f) The analysis of such chapter 31, preceding section 501, is amended by adding at the end thereof the following new item:

"527. Reimbursement for police, National Guard and court employee overtime compensation incurred with respect to disturbances relating to national policy.

NEED FOR A BROADER MILITARY DRUG BILL

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, in the near future we will be considering H.R. 12846—a bill designed to combat the drug problem which is plaguing our military forces throughout the world by providing treatment and rehabilitation to those servicemen who are found to be drug dependent. I believe this bill is inadequate and represents only a half-hearted assault on a massive problem.

The bill fails to provide treatment and rehabilitation for those servicemen who abuse the most widely used of all drugs, alcohol. We can no longer afford to sweep alcoholism under the rug. This disease has undoubtedly broken up many homes, wrecked careers, and deprived the Armed Forces of many capable servicemen.

It is not only unfair but also uneconomical to fail to deal with alcoholism in this bill. The costliness of this disease was illustrated very vividly in a report issued in November 1971 by the U.S. General Accounting Office—GAO. Assuming that the incidence of alcoholism in the military services averaged 5 percent, GAO estimated an annual loss of almost a quarter-billion dollars to the Government. The report pointed out that about half of this amount could be saved if the services started the kind of treatment and rehabilitation programs that have succeeded in private industry and elsewhere.

While most of the services have made some progress in dealing with alcoholism, I strongly believe that they need the support of Congress to insure significant and continuing progress by declaring a war against alcoholism as well as the other abused drugs.

I am likewise disturbed because the bill offers no guarantee for the confidentiality of medical records of servicemen with drug problems. The need for such provision was recognized when Congress enacted Public Law 92–255 which established the Special Action Office for Drug Abuse Prevention. Just as the doctor-patient relationship is important to the successful treatment of drug dependents in civilian life, so also is it important in the successful treatment of our military personnel. If we are to encourage our servicemen with a drug problem to voluntarily seek treatment and rehabilitation, we must provide them with the assurance that their medical records will be properly safeguarded so that they will not be stigmatized as drug abusers for the rest of their lives. A man's life could be needlessly ruined by the Army's unwillingness to keep his medical information confidential. It is difficult enough to successfully treat drug dependent persons without throwing another obstacle in their way.

AMERICANS FEEL A SQUEEZE IN HEALTH CARE

(Mr. STEED asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STEED. Mr. Speaker, all over America people are starting to feel the squeeze in health care that comes from our having neglected health institutions and practices for too long. A current incident in my own State, in Oklahoma City, provides an ominous example of what is beginning to happen throughout the Nation.

There, for a number of reasons, the University of Oklahoma School of Medicine has found it necessary to consolidate the in-patient services of University Hospital and Children's Memorial Hospital. Many Oklahomans fear that the eventual result—perhaps the next step—may be a reduction in the health services provided by the medical school, although as yet nothing has been curtailed except an emergency room "night clinic."

I will not take the time just now to detail this course of events, for the situation is both complicated and agonizing, but I do want to point out the underlying causes that I feel are common to other health-care situations.

The first is the rapid escalation in the cost of health care, which no one can doubt, and which strangely enough has been accompanied by a general reduction in support for health care by government—whether that government be Federal, State, or local.

The second underlying cause is the steadily increased demand for health services by the general public and especially by that segment of the public that cannot afford to pay all the costs of these services.

The third reason is the exceptionally high cost of starting new health services and facilities, whether they be new hospitals and clinics, new schools for any of the health professions, or new methods of delivering health care to the public.

Taken together, these pressures are causing severe strains on professional health education, on the community services provided by these basically educational institutions, and on all the citizens who need the best health care they can get.

I am not saying that there are programs in next year's HEW appropriations bill that could solve all these problems, although there are plenty of opportunities to provide relief. I am saying that the health institutions of this country are beginning to get into serious trouble—trouble that can be avoided only if we in the Congress examine the health budget and its programs in great detail, and only if we in the Congress provide leadership and funding in greater amounts than the administration has done.

I intend to do this in the coming weeks, and I hope many of my colleagues will join me. We cannot afford to do less, for the sake of the people we represent.

SOUTH ATLANTIC BASIN ENVIRONMENTAL CONSERVATION PROGRAM

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am introducing a bill today to authorize a South Atlantic Basin environmental program. The proposed legislation would provide a long-range regional approach to overcome pollution problems of small streams, rivers, and lakes in the South Atlantic Basin.

It would authorize long-range, wholefarm, and nonfarm cost-sharing contracts for land treatment to curb pollution by sediment, animal waste, fertilizer, and chemicals which result from soil erosion. It would offer Federal cost sharing with individual land users to install conservation measures over a period of time in accordance with technically sound conservation plans.

The proposed South Atlantic Basin environmental conservation program is modeled in principle after the Great Plains conservation program authorized Congress in the 1950's, which has proven to be a successful approach to improving the quality of the environment in that region of our Nation.

In the Great Plains conservation program the land owner or operator:

First. Develops a conservation plan suited to his land and to the kind of operation he desires.

Second. Works out a schedule for applying the plan.

Third. Enters into a contract with the Secretary of Agriculture to apply all needed conservation work on the entire unit within 3 to 10 years.

Fourth. Gets help from the specialists of the Soil Conservation Service as he needs it.

Fifth. Receives the Federal share of the cost as he completes each conservation step.

An intensive program of soil erosion prevention, conservation, and land-use adjustment is urgently needed in the South Atlantic Basin because the soils in this high rainfall region are highly susceptible to erosion.

Cosponsors with me in introducing the proposed authorization for a South Atlantic Basin environmental conservation program are: Mr. GRIFFIN, Mr. BEVILL, Mr. BRINKLEY, Mr. LANDRUM, Mr. FUQUA, Mr. MONTGOMERY, Mr. PEPPER, Mr. BENNETT, Mr. JONES OF NORTH CAROLINA, Mr. DAVIS of Georgia, Mr. NICHOLS, and Mr. PREYER of North Carolina.

THE OTHER SIDE OF MR. PAPANDREOU

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, a number of my colleagues have noted the activities of Mr. Andreas Papandreou who has been publicized, particularly in the New York press, for advocating the overthrow of the Government of Greece by force. I have friends both among the Greek people and among Americans of Greek descent who strongly believe that Mr. Papandreou's activities have not been fully presented in published articles. The Greek-American daily newspaper Atlantis which is published in New York recently carried a letter to the editor which throws more light on this subject. I feel that it is proper that this be reprinted in the CONGRESSIONAL RECORD, and I ask to insert it at this point:

[From the Atlantis, May 7, 1972]

To the EDITOR:

Recently Andreas G. Papandreou made the following remark at a local rally: "Our struggle for freedom will inevitably proceed to confrontation with the junta, no matter what the cost." Can this mean that, if called upon, Mr. Papandreou would give his life? If so, I, among many others, are delighted by this news. Indeed, Mr. Papandreou is to be congratulated for this heroic gesture. But getting rid of this individual by such noble-minded means is wishful thinking. It is no secret that Mr. Papandreou cannot record pride as his most redeeming quality. He had an excellent opportunity to prove that he was made of the same stuff as brave men. But instead of choosing martyrdom by clinging to his tawdry ideals and remaining in prison, he snivelled for outside intervention for his release.

It is time that Andreas G. Papandreou be dismissed as a pathetic and irresponsible figure. He is not a "patrioti"—a genuine Greek. He is utterly bereft of "pono" for Greece and the Greek people. Were he possessed of this most overwhelming of all Greek sentiments, he would instinctively behave accordingly. If we can assume that Mr. Papandreou has not fully lost his power of reasoning then he must know that the present Greek Government is, in every sense, the most honourable regime that Greece has had since her Independence in 1821. Obviously, Andreas G. Papandreou's frustrations stem from the fact that instead of simply being a "has been" he is a most distinguishable "never was."

Further, one cannot but wonder at the audacity of Margaret Papandreou who frequently lends her signature to certain insidious ghost-written articles. How dare she criticize and denounce the present Greek Government? In reference to certain of her/his remarks about terrorization and torture, I can say that I lived in Greece when literally millions of Greeks were terrorized and tortured—not by discipline and fair-play, the systematic mode of procedure since April 21, 1967 but by false-hearted leadership, much of which is intimately familiar to the slandering and evildoing Papandreou duo.

At that time, I participated actively, full time, without any remuneration, on five Welfare Committees, two Greek, one Canadian and two International. In this capacity, I travelled all over Greece. I saw real terror—panic and alarm for the present and the future—on the faces of the countryside Greeks. I heard their tortured cries—of anguish and despair, of misery and privation. These poor but proud and valorous people were reduced to beggary, victims of ruthless neglect, subjected to the rule of vainglorious ringleaders who were thoroughly indifferent and impervious to their suffering. But no more. Today their faces are serene. Their desperate cries are stilled. Their optimism and their desire for work has returned. I correspond with many of these loyal and dependable Greek nationalists. They write to say that now they feel secure and cared for.

But then Mrs. Andreas G. Papandreou can't possibly know what I'm talking about. I never encountered her on any of my travels when I visited poor communities to dispense foreign aid and to parcel out the most important commodity of all—hope. Thankfully, they now have pretty much all they hoped for.

JULIE CHARLES.

NEW YORK, N.Y., *April 25, 1972.*

AS LONG AS THERE IS A MARINE CORPS

(Mr. DORN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DORN. Mr. Speaker, Maj. Gen. Michael P. Ryan delivered an outstanding address on May 6 when the memorial was unveiled to the memory of L. Cpl. James Donnie Howe, U.S. Marine Corps. Corporal Howe is the fourth recipient of the Congressional Medal of Honor from Pickens County. In addition to Corporal Howe, the beautiful memorial before the courthouse in Pickens is dedicated to the memories of Pvt. Furman I. Smith, Pvt. William A. McWhorter and Pvt. Charles H. Barker, all U.S. Army, previous Pickens County recipients of this highest honor.

General Ryan, deputy commander, Fleet Marine Force, Atlantic, made a moving and superb address which I commend to the Congress and to the American people.

ADDRESS BY GEN. RYAN

Lt. Gov. Marris, Senator Thurmond, Congressman Dorn, Congressman Mann, families of the men we honor today, distinguished guests, ladies, and gentlemen:

We have come here today to dedicate a memorial to Lance Corporal James Donnie Howe, United States Marine Corps, who gave his life that the men who fought beside him might live.

He was a young man, and we all grieve at the death of one in the prime of his manhood. But there is pride in our grief, for what more can a man accomplish than to have found his place in life; to have filled it with honor; to have left the world better for having lived, and to be forever an inspiration to those who remember him.

James Donnie Howe was born December 17, 1948 in Six Mile, Pickens, South Carolina. He enlisted in the Marine Corps Reserve in October, 1968 and transferred to the regular Marines in December of that year.

In June, 1969 he went to Vietnam where he served as a rifleman and then as radio operator with the 3d Battalion, 7th Marine Regiment. On May 6, 1970 in Quang Nam Province, Lance Corporal Howe and two other Marines were occupying a defensive position in a sandy beach area fronted by bamboo thickets. Enemy sappers launched a grenade attack against the position. Donnie and his two comrades moved out to assault the attackers and a grenade was thrown at their feet. Shouting a warning to his fellow Marines, Donnie placed himself so as to insure the safety and lives of his comrades. His heroic and selfless action, far above and beyond the call of duty, cost him his life. He was presented the Nation's highest tribute, the Medal of Honor, posthumously, on September 9, 1971.

Lance Corporal Howe was the fourth serviceman from Pickens County, South Carolina to be awarded the Medal of Honor. In January, 1945, Private First Class Furman I. Smith, United States Army, received the Medal of Honor for conspicuous bravery in Italy during World War II. Private First Class William A. McWhorter, United States

Army, was killed in action at Leyte, Philippine Islands and was presented the Medal of Honor for valor in September 1945. Private First Class Charles H. Barker, United States Army, received the Medal of Honor in October, 1954 for bravery beyond the call of duty in Korea, where he was killed in action.

The Medal of Honor is the highest award for bravery in combat that can be given any individual in the United States. It is awarded for gallantry which risks the life of the serviceman in an action which he is not called upon to perform by duty, but by a higher devotion to his fellow men.

The Medal of Honor for Navy and Marine Corps enlisted men was the first military decoration formally recognized by the American Government. It was authorized in 1861. It is awarded in the name of the Congress of the United States, as the elected representatives of the American people. For this reason it is often called the "Congressional Medal of Honor." Whenever possible it is presented by the President of the United States as Commander in Chief of the Armed Forces and as the elected representative of all Americans.

In the 191-year history of the Marine Corps, only 296 Marines have been awarded the Medal of Honor: 296 Marines out of over 3½ million Americans who have served as Marines since this country was founded. One hundred twenty of these medals were awarded from 1862 to 1932, 80 during World War II, 42 for Korea, and 54 for Vietnam. Fifty-four out of the 300,000 Americans who have served as Marines in Vietnam. This will give you some idea of the singularity and significance of the actions of Lance Corporal Donnie Howe.

Four men from this small area have given their lives for their country in such a manner that they will live forever in the history of this Nation as heroes. No other section of this Nation can claim such a percentage. What inspired these men to sacrifice themselves for their comrades? Patriotism, certainly, for this State of South Carolina has always bred patriots, men and women who believed in a great cause and were prepared to live for that cause and to sacrifice for it. Devotion, certainly, devotion to family, devotion to duty, and devotion to the fellowship of men.

Honor, certainly, not personal glory for there is no glory in war. But honor to the principles they were taught at home, in their schools, and in their churches. Honor to the principles that they absorbed perhaps from this very land itself, this peaceful bit of earth where they learned to lift their eyes to the hills and feel one with all mankind.

Ladies and gentlemen, today as never before our country needs heroes, such as these men. Our people are troubled, divided, uncertain of the future, as they have not been for over a hundred years. This year we are faced, as we have never been before, with the realization that current tides in our nation are eroding concepts of honor, patriotism, personal responsibility and even belief in our destiny. We hear loud and clear the voices of those who doubt this nation's ability to resist these tides. Young people drop out and many die from drug abuse—wasted lives, bringing grief to their families, leaving absolutely nothing behind.

Too many of our young people have made heroes of the unworthy—terrorists, hijackers, frauds and confidence men, the greedy, the corrupt and the immoral whose fame, or infamy, spreads like an epidemic across the country. There is a tendency today to deny individual responsibility—to institutionalize evil and thus to blame someone else for personal shortcomings. Too many blame the government, the schools, the armed forces or even the war for their own failures.

The very worst aspect of this cult is the harm done to the youth of our country. If this nation is to remain strong, or even free, we must have belief in our institutions and in our systems. We must maintain a sense of honor and individual responsibility.

As we dedicate this memorial to Lance Corporal Donnie Howe, we can honor him by dedicating ourselves to the cause he believed in.

We must remember the hundreds of thousands who fought in Vietnam—who fought with courage and compassion. We must not let their sacrifice be forgotten in the sensationalism of the failures of a few.

Let us give our support to the men who are prisoners of war and to their families and let us offer our prayers for a lasting peace that will give increased significance to the sacrifices these men have made.

We can continue to believe that ours is a great Nation that is worth sacrificing for.

We can respect the heritage of every American and judge him by his contributions, not his background.

We can remember that our strength lies in our unity—that no man is an island, entire of himself and any act that diminishes the least of our countrymen diminishes us all. Conversely the actions of Lance Corporal Donnie Howe have enhanced us all and have enhanced this Nation.

For the Marine Corps, I pledge to you that we will be a memorial to Lance Corporal James Donnie Howe: That we will remain strong, disciplined, and united as a force for peace. We will continue to stress duty, honor, loyalty—and personal responsibility; the finer impulses that govern the lives of men. We will maintain the Marine Corps as an institution to which this Nation can look for leadership, for pride, and for a sense of community such as all men seek. And as long as there is a Marine Corps, we will remember the sacrifice of Lance Corporal James Donnie Howe.

In the name of the Commandant of the Marine Corps, General Robert E. Cushman, Jr., I dedicate this memorial to a brave and gallant Marine.

A NEW McCARTHYISM

(Mr. DORN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DORN. Mr. Speaker, Vice Adm. H. G. Rickover's statement last year on "humanistic aspects of technology" is even more pertinent to the deliberations of Congress this year. In our search for an improved environment we must not and cannot permit misinformation and hysteria to destroy that technology so essential to a better way of life for all mankind.

I commend again to the attention of my colleagues the superb statement of Admiral Rickover before the Senate Appropriations Committee on March 11, 1971:

OPENING STATEMENT BY VICE ADM. H. G. RICKOVER BEFORE THE COMMITTEE ON APPROPRIATIONS, U.S. SENATE

"Mr. Chairman, it is an honor for me to appear before this committee to discuss the humanistic aspects of technology. I particularly welcome this opportunity to expand past remarks I have made on this subject. As you know, I am one of the early proponents of the need to find ways to obtain the benefits of technology without harming the individual or the Nation. As early as 1963, I stated the following:

"I would suggest we recognize that what we have in essence is a crisis of intelligence. The wise use of technology calls for a higher order of thinking than we have so far accorded it. We have largely left it to the management of practical men. I submit that we now have scientific knowledge of such immensely dangerous potential that we ought to bring a broader range of intellectual power to bear upon its use.

"I think one can make a general statement that the practical approach to a new scientific discovery is short range and private, concerned with ways to put the discovery to use in the most economical and efficient manner, little thought being given to side effects and future consequences. The scholarly approach—if I may use this term—is long range and public; it looks to the effects which the use of a new discovery may have on people in general, on the Nation, perhaps on the world; present and future. Of course there are men who combine the two approaches and you find them among people whose primary interest is practical, no less than among those whose primary interest is scholarly. What is important is to recognize that each approach is necessary to illuminate the problem and help solve it. To exclude one or the other prevents finding a way to reconcile technology and democracy.

In addition, I said at that time:

"Many activities that in the past could safely be left to private decision now involve such complex relationships and such potentially dangerous consequences that they need all the intelligence we can muster merely to be fully understood, not to mention the need to solve them in ways that will preserve our democratic way of life. This way of life is infinitely precious and worth preserving at all cost. It is also capable of giving our society great flexibility and strength. Therefore, the most practical person will surely have no difficulty recognizing that by giving our democratic institutions primacy over habitual ways of using technology, we preserve for ourselves and our children the greatest single advantage our way of life gives us. It is not affluence of consumer goods but freedom that will let us prevail in the grim struggle for survival that has been forced upon us.

"These statements and others I have made are the credentials which identify me as having been a concerned citizen at a time when such concern had not become as popular as it is today. Because of my deep interest in the well-being of our country, I believe it appropriate that I take this opportunity to express my concern over recent developments in the public attitude on ecological matters. It appears that the pendulum has swung from one extreme to another; from indifference to all nonmaterialistic considerations to an almost hysterical disregard for the technological needs of an overpopulated world which would starve and succumb to pandemics of every contagious disease if we tried seriously to return to the simple life of a century ago. As Senator Jackson has said, 'a new McCarthyism' is developing among environmental extremists.

"This overreaction to environmental problems can present as serious a problem to our Nation as the previous public indifference. Advances in our civilization through applied technology could be unnecessarily delayed or prevented as a result of an improper evaluation of the effects of these developments on present and future generations or on the earth's ecology.

"In previous discussions, when I spoke of the need to evaluate the consequences of new technologies before putting them into effect, I said that the question of whether or not a particular technology has harmful potentialities should be decided by competent and disinterested professionals. These are complex problems. The general public is not in a position to understand and evaluate them fully and with all due care. In the past, I cautioned that one should be wary of those having vested interests in the profit to be had

from technology. Today I would caution against those who have a vested interest in campaigning against all uses of technology. I am not sure just what it is that motivates the antitechnology extremists. Perhaps they want personal recognition; perhaps they find it easier to concentrate on the negative aspects of technological progress. Perhaps they subconsciously compare 'what is' with some ideal of 'what ought to be.' In any case, an indiscriminately negative approach to technological development, whether laymen or scientists, may well—as happened in the past—result in needlesly delaying useful and desirable progress.

"This pessimism, this negative evaluation of technological advance, is not new. There are many examples. I will give you a few to illustrate that laymen as well as scientists have, at times, ignored the world as it is and allowed unknown fears or imaginary concepts to mold their thinking. The transportation industry, more than any other, seems to have fallen victim to this pessimism. Here are some of the dire predictions accompanying the development of the railroad—one wonders that this form of transportation ever evolved.

"It was predicted that the steam locomotive would result in death of birds, it would frighten cows and hens, causing a decrease in milk and egg production. Also, the sparks released from the funnel would set fire to houses.

"There were predictions that trains would adversely affect man's well-being. Speed, in particular, was of prime concern. The Royal Society in England warned that at speeds over 30 miles an hour, the air supply to passenger compartments would be cut off and passengers die of asphyxiation. The College of Physicians in Munich warned that at these speeds, travelers would suffer headaches and vertigo, and possibly lose their sight because of the blurring of the surroundings. Others believed that these speeds the passengers would go mad. Large numbers of passengers would be slaughtered by locomotive explosions, and the mere sight of a steam locomotive would cause a miscarriage in pregnant women.

"All this, mind you, at a speed less than 30 miles per hour, the maximum, as everyone knew, which could ever be achieved, for at greater speeds, any obstacle on the track, even a twig, would cause the steel wheels to shatter, causing major train accidents.

"Some who had faith in the railroads were hardly less fanciful. One expert claimed that the presence of rail tracks in the southwestern part of the United States had increased the desert rainfall because of electrical effects on the atmosphere!

"In 1709, the Portuguese Jesuit Bartholomew Lourenco de Gusamao, the first man to fly (with the aid of gas-filled balloons), obtained a patent on the process he invented, while at the same time the Portuguese Government outlawed the building of another flying machine because of the fear of this new technology. In fact, de Gusamao was brought before the Inquisition and would have been charged with sorcery had he not escaped to Spain.

"The red-flag law passed in Britain is credited by some to have delayed development of the automobile in that country. This law, passed out of fear of the horseless carriage, prohibited speeds greater than 4 miles per hour on open roads, and 2 miles in built-up areas. In addition, the horseless carriage had to be preceded by a man carrying a red flag. In similar manner, laws were passed in the United States prohibiting open flames in garages; this may have been one of the reasons why the steampowered car was not fully developed.

"The use of electric lights in ships was opposed on the grounds that they would detract from the value of the running lights required by law. It was also feared the powerful electric lights would cause confusion and result in collisions in crowded channels.

"Interest in the effects of technology on human welfare is not a new phenomenon, although it receives more attention today because of the mass media. It was predicted that smallpox innoculations would produce cowlike faces and those who were vaccinated would grow hairy and cough like cows. In the early days of radio, laws were passed in Britain limiting the peak transmitter power to 10 watts for fear of the effect of higher electrical power on people.

"In my own work, I have also encountered an unreasoning fear of new technology in supposedly intelligent people. These fears had no basis in fact, and it was not apparent where they originated. During World War II, I was responsible for the design and installation of electrical equipment in our naval ships. One change being made was the general installation of fluorescent lighting. The captain of one ship visited me and requested that the light bulbs in his cabin not be changed to fluorescent lighting. Only after much questioning did I learn the real reason for his reluctance to have this better lighting. He believed fluorescent lights would cause him to become sterile. I told him that considering his age, I did not believe this eventuality would have any effect on the world's population.

In developing protection against magnetic mines, we installed large electrical coils in our ships. Again, a captain approached me with his concern about the effect these coils would have on his virility and that of his men. After I assured him that both experiment and practice had proved this fear unfounded, he was satisfied.

"Of course, not all fears of the consequences of technological advance were unfounded; we know of many which were justified. What I am attempting to show is simply that evaluation of technological advances must be made with caution. Even respected engineers and scientists have at times been wrong in predicting the consequences of some new invention. Thomas Edison, for example, was emphatic in his criticism of the use of alternating current for electric power distribution. He and other critics of this system, which uses higher voltages than the direct current system, declared that higher voltages constituted an unacceptable hazard to the user. These same advocates of direct current also opposed the installation of electric wires underground. They feared that the condensation of moisture, water leakage, or the corrosive effect of coal gas and air on the insulation would result in electrocuting innocent bystanders. To prove their point, Edison and his associates initiated an active propaganda campaign. This resulted in a decrease in the dog population of the State of New York for, in order to demonstrate the hazards of alternating current, public electrocutions of dogs were held frequently. This propaganda campaign was so effective that the State of New York installed an electric chair for the execution of prisoners.

"Known scientific facts are often so distorted that erroneous conclusions are reached. Half truths are like half a brick—they can be thrown farther. The borough council of London outlawed the installation of outdoor gas lighting on the basis of expert scientific opinion that it was too dangerous. A leak anywhere in the gas distribution system would supposedly result in an explosion that could destroy the entire city.

"It is possible to postulate hazards for any new concept. Therefore, a careful evaluation should always be made to confirm or disprove these hazards before action is taken to restrict development of the concept. A simple experiment by the company which was to install the gas light system in London demonstrated that gas leaks in the distribution system did not constitute a major hazard, and the lights were installed. In many cases the action necessary to prove or disprove a potential hazard may not be as costly as the debates or delays associated with these technological advances.

"We must not let public emotions take the place of accurate scientific or engineering evaluation. Many decisions relative to technological applications have been made solely on the basis of voice level—small pressure groups raising their voices and appearing to a dominant force. Then, too, ideas that flatter a current tendency or emotional attitude have an almost irresistible momentum. Contrary ideas will be distorted so as to make them fit into the current attitude. The final residue left in the public mind by the mass media is not likely to be a distillation of what is best and wisest. It is more likely to represent the common prejudices of a vocal minority. The examples I have given illustrate this point.

"As I have said in the past, technology can and must be controlled. Control is necessary to assure that it will produce maximum benefit and do minimum harm to humans and to the values that make for civilized living. This is what I have called a humanistic technology. What I have tried to do today is show the need for sound judgment in exercising this control. History has shown that fear of the unknown associated with technological advances produces illogical reflex action in laymen and scientists. As a result, unnecessary obstacles to technological advancement may be created.

"Man, from the beginning of his evolution, has directed his actions toward transformation of the earth from its natural state to one more suitable for human habitation. Some believe that in light of past mistakes this goal must be completely renounced. They reject the modern world because the byproducts of industrialization and population increase have been air pollution, destruction of scenery, harm to the ecology, etc.

"I would suggest, however, that in actual fact, and despite all its shortcomings, the world of 1971 is a much safer and pleasanter place for nearly all human beings than the world of 10,000 B.C., or even of 1,000 A.D.

"Thank you, Mr. Chairman."

NADER'S CONGRESS PROJECT

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, a few Congressmen has indicated concern about Ralph Nader's ongoing Congress project.

As I noted in the April 21 CONGRESSIONAL RECORD I welcome the indepth study. I think Mr. Nader was correct in his November 2, 1971, speech to the National Press Club when he said he believed—

The often futile efforts at internal reform by some Congressmen in Congress have failed because they were largely undertaken with little understanding and less participation by citizens.

I have high hopes that the study will provide the necessary citizen understanding.

For Members who did not read Mr. Nader's speech which I also inserted in

the April 21 CONGRESSIONAL RECORD, I would refer them to his description of the project's purpose:

To concentrate on dynamic and internal forces, to diagnose deficiencies, record strengths and recommend the ways and mean of effecting the desired changes based on past experience of the Congress and future prospects of reform.

Volunteers assisting in the project have been recruited in almost every congressional district. Eighty graduate students and young professionals will be working in Washington by June 1.

I believe the following story from the Corpus Christi Caller-Times, of March 12, 1972, give an indication of the conscientious effort of project leaders to recruit competent, concerned volunteers in congressional districts.

SHAZAAM! SHE'S A NADER RAIDER

(By Shelby Hodge)

Mrs. D. C. Brown describes herself as a "middle-aged Nader Raider" but is more surprised than anyone to find herself doing research for the nation's No. 1 consumer advocate.

She's not sure how she qualified as a citizen researcher in Nader's national study of congressmen and never really wondered what her congressman was doing until she joined the survey. Besides that she wasn't particularly involved in political or civic activities and never thought she would be selected a volunteer researcher.

Mrs. Brown, 6810 Aswan, is gathering information on U.S. Rep. John Young (D.-Texas) to determine his relationship to the voters in his congressional district. One of the aspects of the Nader Congress Project involves an analysis of a congressman's interaction with local citizens and his relationship to his constituents. Individual profiles will be made of all congressmen for the study.

Contacted by a family friend who works for Nader in Washington, D.C., Mrs. Brown was sure she wouldn't be selected for the work because she was too apolitical. However, she considered the survey a valuable one and applied. As she explained it, "The survey is a needed service. It can't help but make people more aware of what kind of representation they are getting."

Mrs. Brown admitted she was flattered when she was approached to do the research, but began to have second thoughts when stacks of instructions, questionnaires and information arrived. Nevertheless, she accepted the work as a challenge.

"I knew that if I didn't accept the job I would always be sorry. If I couldn't do it, all I could do was bomb and it wouldn't be the first time."

She expects to have no trouble with the survey. "The directions and questions are explicit. It's just like reading a recipe," she said. Estimates are that it will take 50 hours for each volunteer to complete research on the local level where Mrs. Brown is involved.

She began last week by making a study of local newspapers printed during the last two years. Mrs. Brown is checking all news stories on Young. She also will interview Young's past opponents, workers in his local office, leaders of both political parties and local leaders. Mrs. Brown also will be concerned with how well Young's activities in Congress are known. Particular emphasis will be placed on his activities during primary election months.

Her work is limited to Corpus Christi which is considered to be the major city in Young's district. Additional citizen researchers are working around the nation with identical surveys. The research will be completed in September.

The total project is expected to take a year to complete. It is intended to concentrate on "forces upon Congress and within Congress, diagnose deficiencies, record strengths and recommend ways and means of reform."

Mrs. Brown is having no trouble gathering her information, but her image of a Nader representative does not coincide with her self-image. When she hears "Ralph Nader" or "Nader Raider" she pictures young students valiantly crusading for the consumer. She said she doesn't consider herself "very young" and isn't a stduent, but she is enjoying the work.

A native of Dallas, Mrs. Brown has lived in South Texas with her husband for 26 years and in Corpus Christi for 10 years. They have four children. She attended Tarleton Junior College in Stephenville and the University of Texas.

She is involved in work with the Campfire Girls and served as temporary acting director for several months. She also works with Service and Activities Geared to the Elderly and helps out part-time in her husband's insurance agency.

ANTIPOVERTY ELECTIONS SHOULD NOT BE HELD ON A SABBATH DAY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am introducing a bill to amend the Economic Opportunity Act of 1964 so as to provide that elections for membership on boards of community action agencies do not take place on a Sabbath day. In New York City recently a great dispute arose because poverty elections were to be held on Saturday which is the Sabbath Day for Jews, and those Christians belonging to the Seventh-day Adventists Church. The third largest ethnic group to be counted among New York City's poor are the Jews. And yet, the elections for representation on the local CAP boards, responsible for the expenditure of antipoverty funds in their neighborhoods, were scheduled on Saturday, thus effectively barring many from participating in the election. Fortunately the New York State Legislature and the New York City Council intervened and required by legislation that such poverty board elections not be held on a Sabbath Day.

I do not believe that the Federal Government through inaction should allow similar situations to arise depriving segments of the poor from participating in such community elections. Today, this can happen if a city or State is not as disposed to intervene to protect all sections of the poor as was the city and State of New York.

Therefore I have introduced the bill which simply provides that no election or other democratic selection procedure shall be held on a Sabbath day which is observed as a day of rest and worship by members of the poor in the area served. In the case of a dispute as to whether or not a particular day is a sabbath day for some of such members, the Director is authorized to make a final determination with respect to such day.

Surely it is in the interest of the country and the poor that the large number of qualified voters participate in these elections. Unfortunately for whatever reason participation in these elections is very low; in New York City only 3 to 5 percent of the community members eligible to vote exercise their right. It would be unconscionable to make it impossible for orthodox observers of any religion to participate in such elections by holding them on their Sabbath.

CONGRATULATIONS ON ISRAEL'S 24TH ANNIVERSARY OF INDEPENDENCE

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, it is a pleasure to join our colleagues in saluting the State of Israel on its 24th anniversary of independence. Each year it is with a sense of awe and admiration that we note that this tiny country, in spite of incredible adversity, has chalked up another year and is "making it" in every way.

In spite of three major wars which have caused severe economic hardship, Israel has grown and prospered and has, in fact, become a model for other countries to follow.

Her achievements in two fields in particular—medicine and agriculture—are renowned and studied the world over.

One of her most remarkable accomplishments has been in the field of human relations. When one considers that the country is populated by people from incredibly diverse backgrounds—from the most sophisticated and well-educated Europeans to the primitive and unschooled refugees from Africa and Asia—one marvels at the ability of these people to pull together to build their country.

Presently, a new group of refugees from the Soviet Union—with entirely different experiences—is entering Israel in large numbers. Their adjustment has been difficult in some cases. However, the spirit of the Israeli people, reminiscent of our own pioneer days, is inspiring to all. It is their intense determination to survive that has enabled them to celebrate this 24th anniversary and which will, next year, bring them to the quarter century mark.

Mr. Speaker, it is with heartfelt warmth that I say congratulations to Israel on this occasion.

CONGRESSIONAL CONTROL OF JUDICIAL REMEDIES: PRESIDENT NIXON'S PROPOSED MORATORIUM ON "BUSING" ORDERS

(Mr. THOMPSON of New Jersey asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THOMPSON of New Jersey. Mr. Speaker, the public debate on busing has unfortunately been characterized by an excess of emotionalism and a dearth of objective, dispassionate, and rational consideration of this issue. One of the most important aspects of this issue is the relation of busing to the constitutional rights of American citizens and the question of the power of Congress to

limit the jurisdiction of the Federal courts in the area of busing. Prof. Dan Pollitt of the University of North Carolina Law School and I have attempted to address these and related questions as well as to examine this problem in an objective and scholarly way in a law review article that we have prepared. It has been accepted for publication in a special issue of the University of North Carolina Law Review which will appear this summer. I offer this article for the consideration of my colleagues in the hope that it will clarify some of the issues and promote constructive debate on this subject:

CONGRESSIONAL CONTROL OF JUDICIAL REMEDIES: PRESIDENT NIXON'S PROPOSED MORATORIUM ON "BUSING" ORDERS

(By FRANK THOMPSON, Jr., Member of the U.S. House of Representatives, and Daniel H. Pollitt, professor of law, University of North Carolina at Chapel Hill)

The school bus is a familiar sight on the American education scene. The big yellow bus criss-crosses the rural byways, or speeds along modern highways to the "consolidated" school, and picks up approximately 40% of the children who go to school each day. For years, no one seemed to mind—except those who attended private parochial schools and therefore were denied this free transportation.

In the South, there were two buses: one carrying black children to black schools, one carrying white children to white schools. No one seemed to mind—except for the blacks who were denied an equal education.

Then, as the dual educational systems began to end, the black children rode the same bus with white children to the formerly "white" school, and "busing" became an issue. When it appeared that white children would be transported from the white suburbs to the formerly "black" inner city schools, "busing" became a dirty word.

But not everywhere, and not for long; as in Hoke County, North Carolina.

Hoke County is a small rural community of 18,000, with 4,850 children of school age: 50 percent black, 35 percent white, and 15 percent Lumbee Indian. For years, the county operated three different school systems, and a triple transportation system. The white children were a year ahead of their black and Indian counterparts at the midway mark, and two full years ahead by time of high school graduation. Then came integration, a unitary system where each school, and each class, now reflects the county-wide population. With integration came advance planning. Attention was focused on what happens at the end of the bus ride. There were conferences with fearful parents and apprehensive students. The capacities and achievements of each child were measured, and special needs and problems were identified and anticipated. The result was a marked success. White students continued to progress as before, black and Indian students began to catch up. And the daily bus ride was cut down by an average of fifteen minutes.[1]

Senator Mondale, after two years as Chairman of a Senate Select Committee on Equal Educational Opportunity, reports that Hoke County is not an isolated or unique phenomenon. His conclusion, after two years of study of the problems nationwide, is that "integrated education—sensitively conducted and with community support—can be better education for all children, white as well as black, rich as well as poor. It has been tried and is working." [2]

But the facts are not known, or are not accepted. There are many parents fearful that their children will be "bused" into alien neighborhoods, and they are eager for any relief. And there were political candidates eager to promise relief. "Busing" became the big issue in the Florida "Presidential primary," and there was a separate "busing" referendum item on the ballot. On March 14, 1972, the people of Florida went to the polls, selected Alabama's Governor Wallace as their preference for the Presidency, and 74 percent of them voted against "compulsory busing." [3]

It was almost inevitable that the "busing" issue would reach national dimensions, and it did within a few days.

THE NIXON MORATORIUM PROPOSALS

On March 16, 1972, President Nixon announced on nation-wide television that he was sending Congress two bills on "busing".[4] One was a Bill "To impose a moratorium on new and additional student transportation" and provides in essence that all existing court decrees "shall be stayed" to the extent they require any school board to transport a student who was not being transported immediately prior to the entry of the court order; or to the extent that the court order requires the school board to transport a student to a school to which such student was not being transported immediately prior to the entry of the court order.[5]

The other Nixon Bill is styled as one "To further the achievement of equal educational opportunities". On the positive side, it declares that all children enrolled in public schools "are entitled to equal educational opportunity without regard to race, color, or national origin",[6] and then authorizes the Secretary of Health, Education, and Welfare to concentrate federal funds for "basic instructional services and basic supportive services for educationally deprived students" [7]. It declares that "the neighborhood is an appropriate basis for determining public school assignments",[8] and then imposes certain limitations on the powers of the federal courts to correct and remedy racially discriminatory school assignments and plans which are in violation of the Equal Protection Clause of the Fourteenth Amendment. For those in the sixth grade and below, the proposed Bill provides that "no court" shall implement a plan to end segregation which will increase either "the average daily number of students" transported, the "average daily distance to be traveled", or the "average daily time of travel" over the comparable average for the preceding school year.[9]

Concerning those in the seventh grade and above, the proposed law provides that "no court" shall remedy a segregated plan of education with busing provisions that increase the average number of students transported, the average daily distance traveled, or the average daily time of travel; unless other techniques have been tried and found wanting.[10] These other techniques include free transfer of students from a school where their race is a majority to a school in which their race is a minority; the revision of attendance zones or grade structures if this can be done without increasing the transportation of students; the construction of new schools and the closing of inferior schools and the establishment of magnet schools or educational parks.[11]

There is one other notable limitation on the courts: they are not to ignore or alter a school district line "except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of face".[12]

So much for the "bare bones" of the proposed laws. Flesh was added at a White House Conference on March 17 when the highest administrative officials "briefed" the press on the President's proposed laws.[13] Several items are of interest.

The first item of interest is that the Administration sent the bills to Congress for enactment without studying the legal implications. The proposed law would curtail the power of the federal courts to implement their judgments, and a reporter asked "Is there a precedent in case law for this kind of action?" Acting Attorney General Richard G. Kleindienst replied in the negative. He said "There is no precedent in exactly this kind of situation". The only analogy he could offer was that of the National Labor Relations Act wherein Congress limited the remedies available to the National Labor Relations Board "to apply between employees and employers in representation" (sic).[14]

The second item of interest is that the Administration sent the bills to Congress without any study of the factual need for the proposed laws. Administrative officials were asked "How much busing is going on now for the purpose of desegregation?" Wilmot Hastings, General Counsel of the HEW repiled: "I don't have any breakdown. . . . We have no data on miles, distance, or times, the breakdown, or what the relative amount of desegregation busing and non-desegregation busing amounts to".[15]

The third item of interest is the political nature of the proposal. A reporter asked: "If, as the experts have testified here, we do not even know the extent of busing involved in the desegregation process, then what is the hard evidence that supports a Presidential call for a moratorium on busing"? John D. Ehrlichman, Assistant to the President for Domestic Affairs answered this one:

"I think you have to come from some other planet not to be able to answer that question. Every place that you go around this country . . . this is the front burner issue in most local communities. . . . Now, that is the evidence. It carries by such a preponderance that it cannot just be swept under the rug by some sort of statistical evasion".[16]

The fourth item is that the President's proposals turn the clock back to 1896 when the Supreme Court announced the "separate but equal" doctrine in *Plessy* v. *Ferguson*.[17]

A reporter asked, "Why is this not a return to separate but equal, if the moratorium on busing stops future busing plans and the financing of inner city schools encourages and develops those schools?".[18] Another reporter asked how the courts could end segregated education "without some form of transportation, since the facts of life are that blacks and whites don't live together?". The lengthy reply of Dr. Shultz, who directs the Office of Management and Budget, can be reduced to this one sentence: "There is no necessary reason why one must desegregate everything".[19] But the education under the proposed laws will not only be separate, but also unequal. Secretary Elliot Richardson of HEW told the reporters that the Administration was not asking for any funds for schools other than the amounts earlier sought under earlier laws; [20] Dr. Shultz added that there is "no new money involved" [21] and that there were no present plans to ask for future additional funds to upgrade "the quality of the inner city school".[22]

It is not the purpose of this article to comment further on any aspects of the proposed bills, other than the constitutional issue of congressional control over the courts. But first, some retracing of recent history is necessary to know how we arrived to where we now stand.

THE 1954 BROWN DECISION AND CONSEQUENT STATE EFFORTS TO CURB THE FEDERAL COURTS

Until 1954, the District of Columbia and some seventeen states required a dual segregated system of public education; and four additional states permitted segregation on a local option basis.[23] The legal justification for a segregated school system rested on an analogy to the 1896 decision in *Plessy* v. *Ferguson* wherein the Supreme Court sustained the constitutionality of a Louisiana statute requiring separate but equal accom-

Footnotes at end of article.

modations for white and black railroad passengers.[24]

In 1954, the issue of segregated public schools was brought to the Supreme Court in five different cases: from Kansas, South Carolina, Virginia, Delaware, and the District of Columbia. In *Brown* v. *Board of Education*,[25] 347 U.S. 483, a unanimous Court refused to "turn the clock back to 1896 when *Plessy* v. *Ferguson* was written", and held that the forced segregation of Negro school children "from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone". The Court concluded that 'in the field of public education the doctrine of separate but equal' has no place. Separate educational facilities are inherently unequal".[26]

The first shoe was dropped.[27] But because of the great variety of local conditions" involved in the five cases before it, the Supreme Court put off the task of issuing an order until it could hear the views of all the parties (and interested intervenors) as to the appropriate next step. In 1955 the order came down, *Brown* v. *Board of Education*.[28] The court recognized that the termination of a segregated school system may require solution of varied local school problems", and that the local school boards had the best knowledge and therefore the primary responsibility to resolve these problems.[29]

Accordingly, the Supreme Court remanded the cases to the courts from which they originated, with instruction that the local courts require the local school boards to "make a prompt and reasonable start" toward ending segregation; and that the local courts maintain jurisdiction to ensure that the admission of the Negro students to the public schools on a racially nondiscriminatory basis "with all deliberate speed." [30]

By then, resistance in some quarters had mounted to a fever peak. Mob violence erupted when Autherine Lucy sought to enroll at the University of Alabama, when James Meredith attempted to enroll at the University of Mississippi,[31] when nine black students enrolled at the "white" high school in Little Rock, Arkansas. Governor Faubus put the school "off limits" to "colored" students, ugly crowds drove the black children away, and President Eisenhower dispatched federal troops to enforce the federal court "desegregation" order.[32] The resulting "chaos, bedlam and turmoil" was sought to justify a postponement of the school integration, but the Supreme Court said no. The Court ruled that:

"The constitutional rights of (Negro school children) are not to be sacrificed or yielded to the violence and disorder which have followed upon the actions of the Governor. . . . The constitutional rights of children not to be discriminated against in school admission on grounds of race or color . . . can neither be nullified openly and directly by state legislators or state executive or judicial officers, nor nullified indirectly by them through evasive schemes for segregation whether attempted 'ingeniously or ingenuously' ".[33]

And there were many schemes to thwart the Supreme Court's school integration decision, both ingenious and ingenuous.

First came the "Interposition," or shocked-indignation statutes. In the legislative sessions of 1956 and 1957, some nine Southern states enacted interposition resolutions. Although they varied in detail, all condemned the *Brown* decision as an unconstitutional usurpation of legislative authority by the Courts,[34] and all called for the states to "interpose" itself between the state citizens and the federal courts. In 1960, the Supreme Court agreed with the federal district court in New Orleans that "interposition is not a constitutional doctrine. If taken seriously, it is an illegal defiance of constitutional authority." [35]

Then came a number of efforts, like the current Nixon proposals, designed to "curb" the federal courts in the area of school desegreation.

First came the "get the judges" proposals. Since it was the federal courts that had ended segregated education, (neither the Congress nor the President had taken any steps in this direction), the "logical" move by segregationists was to cleanse the courts of the misguided judges. "Impeach Earl Warren" signs appeared all over the South, and Georgia led the way with a legislative resolution calling upon Congress to introduce impeachment proceedings against all the Justices of the Supreme Court.[36]

There was a parallel move to limit, or eliminate entirely, the power of the federal courts to rule on school segregation matters. Florida proposed a constitutional amendment which would make all Supreme Court decisions in this area reviewable by the United States Senate.[37] Senator Eastland of Mississippi introduced legislation to deprive the Supreme Court of its appellate jurisdiction to hear school desegregation cases. This bill was defeated in the Senate by the narrow margin of 41 to 40.[38]

There were a number of additional efforts to prevent the federal courts from exercising jurisdiction. Louisiana "withdrew" its consent to be sued without prior legislative approval of each proposed law suit. Alabama declared that school boards are "judicial" bodies, *ergo*, immune from suit. Arkansas, Georgia, Louisiana, Texas, and Virginia authorized their governors to "seize and operate" the various school systems; with the hope and expectation that a suit against the governor would be considered as a suit against the state, and hence beyond the jurisdiction of the federal courts under the Eleventh Amendment.[39]

"Barratry" and "champerty" laws were enacted to disbar the attorneys who filed school integration suits;[40] and companion laws were passed to "get" the NAACP, which generally financed the law suits. These later laws took many forms. Some required the discharge from state employment of all those who belonged to or contributed to the NAACP.[41] Others merely required the public disclosure of all members and contributors, with the hope and expectation that public pressure would do the job.[42] State Sovereignty Commissions, Un-American Activities Committees, Commissions on Education, and similar state agencies were established to investigate "racial activities".[43] The chairman of the Virginia committee announced that his investigations would be "devastating to the NAACP", would "burst that organization wide open", and "could be used to keep the NAACP out of litigation, which is the heart of the organization".[44]

But the federal courts stood firm in the face of this state legislative onslaught with the total support of the Supreme Court. All the above, and similar schemes for defeating the orderly processes of school desegregation, were declared unconstitutional. And, with the passage of time, the Supreme Court began to press for results.

In 1964, the Supreme Court ruled that "The time for more 'deliberate speed' has run out".[45] In 1968, it ruled that "The burden on a school board today is to come forward with a plan that promises realistically to work, and promises realistically to work now".[46] In October of 1969, it ruled that "the obligation of every school district is to terminate dual school ssytems at once and to operate now and hereafter only unitary schools".[47] In December of 1969, the Supreme Court denied two more requests for more delay, because "The burden on a school board is to desegregate an unconstitutional dual system at once".[48]

To comply with these decisions it is sometimes necessary to order that the children living in one segregated neighborhood attend schools located in a different neighborhood. This requires transportation, or busing. The constitutionality of this judicial remedy was decided for the first time in a series of cases decided in the spring of 1971.

THE 1971 BUSING CASES

In his television address of March 16, President Nixon came out four square against "busing children across a city just to meet some social planner's concept of what is considered to be the correct racial balance"; and he inveighed against "social planners who insist on more busing even at the cost of better education".[49] Earlier, he had told the nation that "I am opposed to the busing of children simply for the sake of busing".[50]

The implication in these statements is that the federal courts, from Chief Justice Burger on down had approved of busing "for the sake of busing"; that the Supreme and lower federal courts had embarked upon a massive busing program to achieve "racial balance" in each and every classroom throughout the nation. Nothing could be more erroneous.

In April of 1971, Chief Justice Burger wrote three decisions, in which all members of the Supreme Court agreed, dealing with various and different "busing" problems. But nowhere in any of these opinions did the Court say anything, directly or remotely, to justify the implications in the President's broadside.

In *Swann v. Charlotte-Mecklenburg Board of Education* [51] the District Judge ordered that all schools have approximately the same racial balance "so there will be no basis for contending that one school is racially different from the others".[52] He also ordered that the children beyond walking distance be "bused" to their new schools. The Supreme Court immediately approved of this "plan" as a "useful starting point . . . to correct past constitutional violations" [53] under the particular situation existing in that city.

In the companion case of *McDaniel v. Barresi*,[54] the Board of Education of Clarke County, Georgia (not the federal court) established geographic zones for the elementary schools, with the proviso that pupils in Negro residential "pockets" were to be bused to schools in other attendance zones. The resulting Negro enrollment ranged from 20% to 40 percent in all but two schools, where it was 50%. The white-black ratio in the system as a whole was approximately two to one. The Supreme Court also unanimously approved of this plan, because of the particular situation existing in that county.

In neither case did the Supreme Court give approval to fixed "racial quotas." In the *Swann* case, it approved of the "norm" of a 71–29 white to black ratio in all the schools, but only as a "starting point" to end segregation. The Court expressly noted that had the District Court ordered a particular degree of racial balance or mixing "as a matter of substantive constitutional right":

"that approach would be disapproved and we would be obliged to reverse. The constitutional command to desegregate schools does *not* mean that every school in every community must always reflect the racial composition of the school system as a whole." [55]

In both of these cases, the Supreme Court approved of the busing of some school children, because "desegregation plans cannot be limited to the walk-in school". [56] But the Supreme Court again was careful to note that there might well be limits imposed on future busing plans. The Court expressly warned the lower courts that:

Footnotes at end of article.

"an objection to transportation of students may have validity when the time or distance of travel is so great as to risk either the health of the children or significantly impinge on the educational process".

The Court then added: "It hardly needs stating that the limits on time of travel will vary with many factors, but probably with none more than the age of the students".[57]

To underscore and emphasize this point, the Supreme Court noted the "busing" situation in each of the two cases before it. Under the new desegregation plan in Clarke County, "The annual transportation expenses of the present plan are reported in the record to be $11,070 *less* than the school system spent on transportation during the 1968–1969 school year under dual (segregated) operation".[58] Under the new desegregation plan in Charlotte-Mecklenburg:

"The trips for elementary school pupils average about *seven miles* and the District Court found that they would take 'not over 35 minutes at the most'. This system compares favorably with the transportation plan previously operated in Charlotte under which each day 23,600 students on all grade levels were transported an average of *15 miles* one way for an average trip requiring *over an hour*".

It was because of "these circumstances" that the Supreme Court affirmed the use of "bus transportation as one tool of school desegregation".[59]

More germane to this article, however, are the Court holdings regarding the "broad remedial powers of a court" in school desegregation cases to order "interim corrective measures".[60]

The litigation in the *Swann* case began in the spring in 1969, and the District Court then ordered the school board to consider a plan which included elements of "busing". The North Carolina General Assembly promptly enacted an "Anti-Busing Law". This statute prohibited the local school boards from doing any of three things: It provided that "no student shall be assigned or compelled to attend any school on account of race"; that no students shall be assigned to any school "for the purpose of creating a balance or ratio of race"; and that "involuntary busing of students in contravention of this article is prohibited". In *North Carolina State Board of Education v. Swann*,[61] the Chief Justice ruled for a unanimous Supreme Court that the state law was unconstitutional because "it operates to hinder vindication of federal constitutional guarantees".[62]

The Supreme Court concluded that the prohibition against school assignments on the basis of race, "against the background of segregation" in this case, could not withstand constitutional challenge; otherwise it "would render illusory the promise of *Brown* v. *Board of Education*". The Court concluded on this point that:

"Just as the race of students must be considered in determining whether a constitutional violation has occurred, so also must race be considered in formulating a remedy."

To compel school authorities to be "color blind", and ignore factors of race, would deprive them "of the one tool absolutely essential to fulfillment of their constitutional obligation to eliminate existing dual school systems".

The Court similarly concluded that the "prohibition against transportation of students assigned on the basis of race" will hamper the ability "to effectively remedy constitutional violations", for:

"Bus transportation has long been an integral part of all public educational systems, and it is unlikely that a truly effective remedy could be devised without continued reliance upon it".[63]

In *McDaniel v. Barresi*, it was similarly argued by those opposing the school integration that the Fourteenth Amendment required that the school authorities be "color blind" in making school assignment. The Supreme Court answered that "The Clarke County Board of Education, as part of its affirmative duty to disestablish the dual school system, properly took into account the race of its elementary school children in drawing attendance lines. . . . Any other approach would freeze the status quo that is the very target of all desegregation processes".[64]

The short of the matter is that the Supreme Court in the three "busing" cases held that a "busing" order is the "one tool" available to the federal courts which is "absolutely essential" to remedy past discriminatory school systems for the vindication of constitutional rights. The question thus posed is whether the Congress, consistent with the separation of powers concept of our Constitution, can deprive the courts of this essential remedial device.

THE ESSENTIALITY OF REMEDIES TO THE JUDICIAL PROCESSES

At the White House Press Conference on March 17, the administration officials denied that the proposed "moratorium" on busing orders would undermine the constitutional right of black children not to be sent to segregated schools. They sought to distinguish between the "constitutional right" and the remedies for establishing this right.

A reporter asked:

"The court has set a standard under *Swann* which it deems to be constitutional. Now, are you saying that what Congress should ordain is something less than what *Swann* declared? Would it be constitutional then?"

White House Counsel Edward L. Morgan replied as follows:

"We are saying that Congress has the power, under the substantive legislation, to define the limitations on the *remedy*. We are not in any way attacking the constiutional *right*".[65]

This attempt to distinguish between "rights" and "remedies" is a subterfuge at best. A right without a remedy is like a bell without a clapper; an empty promise demeaning to the judge, breeding cynicism and disrespect for the processes of the law.

This attempted dichotomy has no place in our constitutional heritage. To the contrary, the opposite has been the law since the land-mark decision by Chief Justice John Marshall in *Marbury* v. *Madison*,[66] and even before.

On the very eve of his administration, President Adams appointed a number of "mid-night" judges. One of them was William Marbury, appointed to a minor judicial office in the District of Columbia. But in the rush and confusion, the "commission" of Marbury was not delivered to him prior to the time President Jefferson took office. It was found in the Department of State, already signed and sealed, and Secretary of State Madison refused to deliver it. Marbury brought suit to compel its delivery, and the Supreme Court first held that he had a lawful right to it. The Court then moved on to "the second inquiry", which it stated as follows: "If he has a right, and that right has been violated, do the laws of the country afford him a remedy?" Chief Justice Marshall answered emphatically in the affirmative, and held for the Court:

"The very essence of civil liberty certainly consists in the right of every individual to claim the protection of the laws, whenever he receives an injury. One of the first duties of government is to afford that protection",[67] The Chief Justice then added:

"The government of the United States has been emphatically termed a government of laws, and not of men. It will certainly cease to deserve this high appellation, if the laws furnish no remedy for a violation of a vested legal right".[68]

Both before, and ever since the 1803 decision in *Marbury* v. *Madison* the Supreme Court has ruled that the power to issue a remedial order is an essential ingredient of the "judicial" power of the United States.

On several occasions it was unforseen and unforseeable circumstances that deprived the Supreme Court of power to issue a judgment it deemed appropriate, and on these occasions the Supreme Court refused "to proceed to judgment",[69] because its judgment "would be incomplete and ineffectual".[70]

On other occasions, it was an Act of Congress which rendered the judgments of the courts "incomplete and ineffectual"; and on these occasions the courts were quick to call a halt.

The issue arose as early as 1792. In that year the Congress enacted a "pension" law for the benefit of widows and orphans of the Revolutionary War veterans. It directed the courts of the United States to hear the claims and determine the appropriate pensions. *But*, the courts were directed to certify their decisions to the Secretary of War, and the Secretary of War was authorized to pay, or to refuse payment, in his discretion.

The Supreme Court refused to have anything to do with the claims, because the power given to the courts by the Pension Act was "not judicial power within the meaning of the constitution", and the Act "was, therefore, unconstitutional".[71] Mr. Chief Justice Jay noted that "the government is divided into three distinct and independent branches," and that "it is the duty of each to abstain from and to oppose, encroachment on the other".

He concluded that since the Congress authorized the Secretary of War to review the decisions of the courts, the power given the courts by the Pension Act was not "judicial".[72] Mr. Justice Iredell added that

"The Legislative, Executive and Judicial departments, are each formed in a separate and independent manner . . . *no decision of any court of the United States can, under any circumstances agreeable to the Constitution, be liable to a reversion, or even suspension, by the Legislature* itself, in whom no judicial power of any kind appears to be vested, but the important one relative to impeachments",[73] (Emphasis added.)

Mr. Justice Wilson added that "It is a principle important to freedom that in government, the judicial should be distinct from, and independent of, the legislative department". He wrote that the Pension Act reservation of power in the legislature to revise and control the "judgments" of the judiciary was "radically inconsistent with the independence of that judicial power which is vested in the courts".[74]

On the few subsequent occasions when Congress sought to regulate or control the judgments of the Supreme Court, the legislative interference was declared to be unconstitutional.[75] Thus, in *Gordon* v. *United States*,[76] Congress by special statute retained the right to refuse to pay the judgments issued by the Supreme Court. The Supreme Court, as a consequence, refused to hear any cases arising under this statute. Mr. Chief Justice Taney explained that "the award of execution is a part, and an essential part, of every judgment passed by a court exercising judicial power", and that the Constitution confers no authority "to the legislative or executive departments to interfere with (the) judgments or processes of execution" of the courts created under the Constitution.[77]

It appears from all the sources, then, that the issuance of remedial orders is an integral part of the judicial process, and if the courts are to act at all, their judgments are immunized from Congressional control. This moves us on to the next question: Does Congress have constitutional authority to deny the courts power to hear and decide busing cases under its authority over the federal courts.

Footnotes at end of article.

CONGRESSIONAL CONTROL OVER THE APPELLATE JURISDICTION OF THE SUPREME COURT

President Nixon's proposed Equal Educational Opportunities Bill provides that "no court" shall order the implementation of a desegregation plan that requires an increase in the number of children "bused" to school.[78] This language, if enacted into law, would prohibit the Supreme Court from issuing the type of order it issued last spring in the *Swann* opinion.

At the Press Conference on March 17, Acting Attorney General Kleindienst was asked if there were any precedent for this kind of action, and replied in the negative.[79] However, he might have cited the immediate post Civil War period when the Reconstruction Congress sought to twist the Supreme Court's appellate jurisdiction for political objectives.

Some background is helpful, for the matter is somewhat technical and complicated.

The Constitution provides that the "judicial power" of the United States shall extend to eight categories of cases: to those affecting Ambassadors and other public Ministers; to those arising under the Constitution; to those in which the United States shall be a party; to those between citizens of different states; and so on.[80]

The Constitution also provides for two categories of Courts: "one Supreme Court," and such "inferior courts" as Congress may from time to time ordain and establish.[81]

The Constitution provides that the two most important categories of cases are to be tried originally in the Supreme Court (those "affecting Ambassadors", and those "in which a State shall be a Party"); and that "in all other cases" (the other six categories) the Supreme Court shall have "appellate jurisdiction, both as to Law and Fact, *with such Exceptions, and under such Regulations as the Congress shall make*".[82]

The question here, of course, is whether the power given Congress to make "exceptions" and "regulations" includes the power to entirely deny the right to appeal a case wherein Constitutional rights are allegedly denied the litigant.

So much for the Constitutional background of the post civil war cases. The statutory background is equally complicated and technical. It involves at least three separate, but inter-related laws; one in 1789, a second in 1867, and the third in 1868.

In 1789 Congress enacted a Judiciary Act, and authorized the lower federal courts to decide (by way of a writ of habeas corpus) the legality of the imprisonment of those confined under the "authority of the United States".[83] If the lower court affirmed the legality of the imprisonment, and dismissed the writ of habeas corpus, the one held in custody could appeal this decision to the Supreme Court. But the appellate process was not spelled out, or generally known; in fact it was described as "attended by some inconvenience and embarrassment".[84]

In 1867, Congress amended the 1789 Habeas Corpus Act in two major respects. First, it authorized the lower federal courts to hear the cares of those confined under both federal and state authority; and second, it expressly provided for an appeal to the Supreme Court, and spelled out the processes.

This brings us to the facts of the first Reconstruction case.

During Reconstruction, when the Southern states were under military occupation, a Mississippi editor named McCardle was an "unreconstructed rebel". He published an editorial in the *Vicksburg Times* which severely criticized the Yankee general in command of that area. The General arrested McCardle, and held him for trial before a military tribunal on charges of inciting to insurrection, disorder, and violence. He did this under the authority granted him by the Reconstruction Acts.

McCardle filed a petition for habeas corpus with the federal court under the 1867 "habeas corpus" Act, alleging that the Reconstructions Acts were unconstitutional, and did not justify his incarceration. The federal circuit court dismissed his petition. McCardle appealed to the Supreme Court, again under the 1867 Habeas Corpus Act. The Government then moved to dismiss his appeal, on the theory that the 1867 Habeas Corpus Act was intended to help the former slaves, not rebel editors like McCardle. The Supreme Court denied the motion to dismiss the appeal [85] and heard oral argument on the merits of the case.

Congress then took an unprecedented step. Fearing that the Court might hold the Reconstruction Act unconstitutional, it passed a law which expressly repealed the 1867 Habeas Corpus Act in so far as the earlier law "authorized an appeal" to the Supreme Court.[86] The United States for a second time moved to dismiss the appeal, this time with success.

The Supreme Court held that because McCardle had filed his appeal under the Habeas Corpus Act of 1867, and since the Congress had expressly repealed the appellate provisions of that Act, the Court had no option but to dismiss the case. But, the Court also pointed out quite clearly that it was error for McCardle to suppose that "the whole appellate power of the court, in cases of habeas corpus, is denied"; for the repealing act of 1868 "does not except from that (appellate) jurisdiction any cases but appeals from Circuit Courts under the act of 1867." It "does not affect the jurisdiction which was previously exercised" under the original Judicial Act of 1789.[87]

In short, the Supreme Court in *McCardle* was not faced with the power of Congress to deny *all* appellate jurisdiction of the Supreme Court to determine important constitutional issues. All the Court held in *McCardle* was that Congress can cut off one of two alternative appellate routes to the Supreme Court.

Any doubts on this score were resolved by *Ex parte Yerger*,[88] decided by the same Court the same year. Yerger, like McCardle, was a civilian; and also like McCardle was arrested by the Military authorities in Mississippi and held for military trial. He filed a petition for a writ of habeas corpus with the federal court in Mississippi, which was denied. He then filed an appeal to the Supreme Court, *under the original Judiciary Act of 1879*. The United States moved to dismiss the appeal, relying as it had in McCardle, on the 1868 "repealing" statute. The Supreme Court refused to dismiss the appeal, holding that the case was before it under the 1789 Act, and that the "repealing section of the act of 1868 is limited in terms, and must be limited in effect to the appellate jurisdiction authorized by the act of 1867".[89]

United States v. Klein,[90] was the second and last attempt by the Reconstruction Congress to utilize the courts for political ends. Chief Justice Chase again was quick to say no.

The facts are these. In 1862 Congress declared the forfeiture of all property owned by those aiding the rebellion".[91] This 1862 "forfeiture" law also authorized the President to grant amnesty to those who had engaged in the rebellion. On December 8, 1863, President Lincoln took advantage of this option and proclaimed a general pardon and amnesty; thereby restoring all rights of property "except as to slaves" to those rebels who "take and subscribe a prescribed oath of allegiance, and thenceforward keep and maintain said oath inviolate".[92] Under the forfeiture act of 1862, the Government had seized and confiscated some cotton belonging to a man named V. F. Wilson, who had "aided the rebellion". After Lincoln's offer of "amnesty" in 1863, Wilson took the required oath of allegiance, and "kept the same inviolate" until his death. Klein then was appointed to administer Wilson's estate, and filed suit in the Court of Claims to recover the value of the seized cotton ($125,000). A number of other similar suits were filed, including one by Edward Padelford—which became the test case. General Sherman had captured Savannah in December of 1864, and seized some cotton belonging to Padelford. Thereafter Padelford took the required oath of allegiance under Lincoln's 1863 amnesty proclamation, and filed suit in the Court of Claims for the return of his cotton. The Supreme Court affirmed his right to recover.[93] This did not set well with Congress. The idea of rebels swearing allegiance at this late stage of the war and thereby recovering their property was too much for it to accept.

The Supreme Court handed down its *Padelford* decision on April 20, 1870. By July 12, Congress had struck back.[94] There were to be no more decisions against the public treasury in favor of former rebels. Presidential pardon or not. Congress provided that in all suits filed to recover property held by the Government under the 1862 "seizure" law, if the former owner relied upon a presidential pardon as the basis for recovery, the claim of Presidential amnesty "shall be taken and deemed in such suit . . . conclusive evidence that such person did take part in, and give aid and comfort to, the late rebellion . . . and the jurisdiction of the court in the case shall cease and the court shall forthwith dismiss the suit of such claimant".

By the time Congress enacted this statute, Klein had won his suit (on the basis of the Presidential pardon) in the Court of Claims, and the Government had appealed to the Supreme Court. The Government then moved in the Supreme Court to dismiss the case and rule against Klein, because of the recently enacted Congressional statute.

The Supreme Court denied the motion. Chief Justice Chase acknowledged a general right in Congress to "confer or withhold the right of appeal" to the Supreme Court from decisions of the Court of Claims. And, continued the Chief Justice, "if this act did nothing more, it would be our duty to give it effect". But the act did something more than merely withhold appellate jurisdiction, it withheld appellate jurisdiction *"as a means to an end"*. The Chief Justice held that this is not a legitimate "exercise of the acknowledged power of Congress to make exceptions and prescribe regulations to the appelate power" of the Supreme Court.[95]

The Court reminded that:

"It is the intention of the Constitution that each of the great co-ordinate departments of the government—the Legislative, the Executive, and the Judicial—shall be, in its sphere, independent of the other." [96]

He concluded that in this instance, "Congress has inadvertently passed the limit which separates the legislative from the judicial power", and continued as follows:

"Congress has already provided that the Supreme Court shall have jurisdiction of the judgments of the Court of Claims on appeal. Can it prescribe a rule in conformity with which the court must deny to itself the jurisdiction thus conferred, because and only because its decisions, in accordance with settled law, must be adverse to the government and favorable to the suitor? The question seems to use to answer itself." [97]

As a separate, and additional reason for its refusal to dismiss the case, the Court pointed out that the Act of Congress also intruded upon the Constitutional power of the President to grant pardons. It said:

"To the executive alone is intrusted the power of pardon . . . The legislature cannot change the effect of such a pardon any more than the executive can change a law. Yet this is attempted by the provision under consideration. The court is required to receive special pardons as evidence of guilt and to

Footnotes at end of article.

treat them as null and void. . . . This certainly impairs the executive authority and directs the courts to be instrumental to that end. . . . We think it unnecessary to enlarge. The simplest statement is the best".[98]

Had the Chief Justice thought it necessary to enlarge, he might have added that the judicial branch of the government is charged with the power and obligation to ensure that the other branches of government are kept within the limits set by the Constitution. This was decided as early in our history as 1803, in the famous case of *Marbury* v. *Madison*.[99] There, Chief Justice John Marshall had to decide what to do when an Act of Congress went one way,[100] and the Constitution went a different way.[101] He had no great problem. He wrote that "It is a proposition too plain to be contested that the constitution controls any legislative act repugnant to it", and equally significant was his follow-up: "It is emphatically the province and duty of the judicial department to say what the law is". He explained that were it otherwise, were the courts impotent to act when the Congress overstepped the constitutional limits, the constitution would give "to the legislature a practical and real omnipotence, with the same breath which professes to restrict their powers within narrow limits"; were it otherwise, it would reduce "to nothing what we have deemed the greatest improvement on political institutions, a written constitution".[102]

The obligation and power of the Courts to fault an act of Congress for reasons of constitutionality has not been challenged since the *Marbury* decision of 1803. It goes without saying that this is not an easy or pleasant task. The constitutional framers recognized this, and gave backup support to the Judiciary with permanency in office. (The judges "shall hold their offices during good behaviour"[103]), with financial independence (their compensation "shall not be diminished during their continuance in office"[104]), and through the express charge that the judges exercise jurisdiction and hear all cases "arising under the Constitution".[105]

But, the fact remains that the Supreme Court can only hear these cases alleging unconstitutional action by Congress by way of appeal from the lower courts; and the Constitution contains the proviso, as an addendum to all the other powers granted the Supreme Court, that its appellate jurisdiction is subject to "such Exceptions and under such Regulations as the Congress shall make".

Is this small qualifying clause to be read as authorizing Congress to deny the courts the power to review those cases challenging the constitutionality of Congressional action; and thereby overrule an almost unbroken line of 170 years of history? Not unless one is willing to let an exception engulf the rule; not unless one is willing to read the Constitution as authorizing its own destruction; not unless one is willing to let one small tip of the tail wag a very large dog.

What, then, is the intent and purpose of this qualifying phrase on the appellate power of the Supreme Court? The history is meager, but points to a much more limited purpose.

Various proposed drafts of the Constitution were submitted to the Founding Fathers in Philadelphia, and all of them provided for appellate review by the Supreme Court of constitutional cases "both as to law and to fact", without any qualification whatsoever. This touched off a heated controversy, with some of the delegates protesting that this clause, permitting review "as to fact," would give the Supreme Court the power to review and overturn the verdicts of juries. The various proposals were then given to a "Committee of Detail", which reported back the language as finally adopted, i.e. that the Supreme Court should have appellate jurisdiction both "as to law and to fact," but with "such exceptions and under such regulations as the Congress shall make".

Alexander Hamilton explained the purpose of the "exceptions and regulations" clause in the debate over the Constitution:

"The appellate jurisdiction of the Supreme Court will extend to causes determinable in different modes, some in the course of the common law, (that is, by jury trial), others in the course of the civil law (without jury trial). . . . In the latter, the reexamination of the fact (by an appellate court) is agreeable to usage (but not in the former). . . . To avoid all inconveniences, it will be safest to declare generally, that the Supreme Court shall possess appellate jurisdiction, both as to law and fact, and that this jurisdiction shall be subject to such exceptions and regulations as the National Legislature may prescribe. . . .

"This view of the matter, at any rate, puts it out of all doubt that the supposed abolition of the trial by jury, by the operation of this provision, is fallacious and untrue. The Legislature of the United States would certainly have full power to provide, that in appeals to the Supreme Court there should be no reexamination of facts, where they had been tried in the original causes by juries. . . .[106]

Patrick Henry agreed with Hamilton that the power given the Supreme Court to determine appeals "both as to law and to fact" would, if unmodified, give the Supreme Court authority to review and overturn jury verdicts; and that the clause authorizing Congress to make "such exceptions" to the appellate jurisdiction was designed to allay fears on this score.

However, Henry doubted that the qualifying clause authorizing Congress to make exceptions could, even if exercised by Congress in the situation of jury trials, succeed in its purpose. He argued to the Virginia Convention called to ratify this Constitution that the power once given to the Supreme Court by the Constitution to review questions "of law and fact", could not then be taken away by Congress. He commented on the floor:

"I may be told that I am bold; but I think myself . . . that Congress cannot, by any act of theirs, alter this jurisdiction as established. It is subject to be regulated, but is it subject to be abolished?

He answered in the negative, because "If Congress can alter this part, they will repeal the Constitution"; and further, "When Congress, by virtue of this sweeping clause, will organize these courts, they cannot depart from the Constitution; and their laws in opposition to the Constitution would be void". He concluded that:

"If Congress, under the specious pretense of pursuing this clause (the "exceptions and regulations" clause), altered it, and prohibited appeals as to fact, the federal judges, if they spoke the sentiments of independent men, would declare their prohibition nugatory and void".[107]

The late Mr. Justice Owen J. Roberts is the third person who has commented on the "exceptions and regulations" clause, and he agreed with Alexander Hamilton and Patrick Henry that its thrust was to alleviate the fears that the Supreme Court, under authority previously given, might review and reverse the verdicts of juries. He asked a luncheon meeting of the New York Bar why the Framers left it to Congress to regulate the appellate jurisdiction of the Supreme Court, and then answered his question in these words:

"There came into play state pride. . . . and another feeling that since Anglo-Saxons prize the jury system, giving the Supreme Court appellate jurisdiction as to matters of law and fact would give it the opportunity to overturn jury verdicts, jury decisions, judgments based on jury decisions in New York, in Pennsylvania, and elsewhere. The best compromise that could be made in the situation was to leave to Congress the right to define the appellate jurisdiction of the Supreme Court".[108]

In short, recourse to history indicates that the mischief which the Framers intended to remedy with the "exceptions and regulations" clause was the fear that, without it, the Supreme Court might review and reverse the factual findings of the juries.

Whatever validity this historical basis for the clause might have today, the fact remains that the Congress, with few exceptions, has honored the integrity of the Supreme Court's appellate jurisdiction. On these few occasions when the Congress has not done so, the Supreme Court was quick to assert its judicial supremacy: in *McCardle*,[109] where the Court permitted the Congressional blocking of one appellate route while loudly pointing out an alternative road to its Bench; and in *Klein*,[110] where the Supreme Court proudly asserted that the Congressional control over its appellate docket could not be used as a "means to an end" i.e., because otherwise the decisions of the Court would be "adverse to the government and favorable to the suitor".

If the Congress could not tell the Supreme Court how to rule on cases in those post Civil War years (i.e. against the "rebels"), there is no reason to believe that the same Constitution now permits the Congress to tell the Supreme Court how it should effectuate the Fourteenth Amendment today (i.e., against the black school children).

CONGRESSIONAL CONTROL OVER THE "INFERIOR" FEDERAL COURTS

The thrust of the proposed Nixon Moratorium Bills will fall most heavily not on the Supreme Court, but on the District Courts of the United States, for it is there that the school integration cases are tried and remedial orders are first issued. May the Congress, consistent with our Constitutional system of "checks and balances", deny them the power to issue "busing" orders if the district court judges are convinced that such orders are necessary for the vindication of constitutional rights? The answer is, probably not.

The Constitution provides in Article 111 that the judicial power of the United States shall be vested in the Supreme Court, and "in such inferior courts as the Congress may from time to time ordain and establish". This power to "ordain and establish" inferior courts carries with it the power to establish inferior courts with less than complete jurisdiction.

Thus, the very first Congress established "inferior" federal courts, and gave them jurisdiction to hear and decide cases "between citizens of different states"; but, added the Congress, not those suits between "citizens of different states" involving negotiable instruments transferred to the plaintiff by a citizen who resided in the state of the defendant. This "incomplete" grant of jurisdiction was sustained by the Supreme Court in 1799.[111]

Since that early date, Congress has granted the federal courts jurisdiction which is full or partial, complete or incomplete, as Congress deems wise and expedient.[112] This as a general proposition is perfectly proper, for there is no right to try a case in a federal court. In *Kline* v. *Burke Construction Company*,[113] the Burke Construction Company was incorporated in one state, Kline was a citizen of a different state; and the Construction Company filed suit against Kline in the federal court basing jurisdiction on "diversity of citizenship". Kline, the defendant in the federal suit, promptly filed suit against the Construction Company in a state court, hoping that forum would be more friendly to his cause. The Construction Com-

Footnotes at end of article.

pany then asked the federal court to enjoin the state court proceeding, and the federal district court refused. On appeal, the Supreme Court agreed that the Construction Company did not have a "constitutional right" to have its case tried in the federal court; for the following reason:

"The Constitution simply gives to the inferior courts the capacity to take jurisdiction in the enumerated cases, but it requires an act of Congress to confer it. And the jurisdiction, having been conferred, may, at the will of Congress, be taken away in whole or in part; and, if withdrawn without a saving clause, all pending cases, though cognizable when commenced, must fall. A case which thus comes into existence only by virtue of an act of Congress, and which may be withdrawn by an act of Congress after its exercise has begun, cannot well be described as a constitutional right". [114]

There are many illustrations of the power of the Congress to take away the jurisdiction of the federal courts, in whole or in part. [115] The Norris-LaGuardia Act is a familiar one. There, Congress declared that unless certain enumerated conditions existed, "no court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute." [116]

The Supreme Court said as dicta [117] that "There can be no question of the power of Congress thus to define and limit the jurisdiction of the inferior courts of the United States". [118]

However, the Supreme Court is not so casual when the denial of federal jurisdiction also constitutes a denial of substantive constitutional rights. [119] And a series of decisions by the various Courts of Appeal under the Portal to Portal Act recognize that Congress may not exercise its control over the "inferior" federal courts in a manner to deny those courts the power to vindicate rights guaranteed by the constitution. Some background to these decisions might be useful.

The Fair Labor Standards Act [120] requires the payment of minimum wages, with time and a half for hours worked in excess of an eight hour day, or a forty hour week. In a series of cases at the close of World War II, the Supreme Court ruled that once an employee had crossed the portal of his place of employment, the "work day" and the "work week" included such preliminary and incidental activities as walking to the place where the work was to be done, changing to work clothes in the locker room, showering after work was over, and so on. [121] These decisions were quite unexpected, and resulted in "windfall" obligations to thousands and thousands of employees. Almost 2,000 suits were filed for back pay, claiming liability in excess of $5,785,204,606.00. The House Judiciary Committee investigated the situation, and concluded that payment of these claims would result in the bankruptcy of thousands of employers. [122]

Consequently, Congress passed the Portal-to-Portal Act, which did two things. First, it provided that no employer shall be subject to any liability under the Fair Labor Standards Act because of a failure to pay overtime compensation for work performed in the past, "unless the work activities were compensable at the time they were performed by either an express contract or by custom or practice". Second, the Portal-to-Portal Act provided that "No court of the United States . . . shall have jurisdiction of any action or proceeding . . . to enforce liability . . . for or on account of the failure of the employer to pay minimum wages or overtime compensation", unless the work activities were compensable at the time performed either by contract, custom, or practice.

Motions were immediately made to dismiss the cases then pending in the federal courts. The plaintiffs argued against these motions for two reasons: because the Portal-to-Portal Act deprived them of property rights guaranteed by the Fifth Amendment to the Constitution; and because, a fortiorari the denial of access to a federal court to enforce these claims was also unconstitutional. If Congress has absolute control over the "inferior" federal courts, and can choke off their jurisdiction even when this results in the inability to enforce rights protected by the Constitution, none of the courts would have considered the first issues raised by the plaintiffs in the pending cases. But all of them did. They all considered the contention that the Portal-to-Portal act denied property rights guaranteed by the Constitution, and rejected it.

Typically, Judge Parker for the Fourth Circuit wrote that Congress may not "take one man's property and give it to another or arbitrarily strike down rights arising under contract." [123] But, he added, "nothing of that sort is involved" in the Portal-to-Portal Act, because the rights stricken down by the statute are not rights arising out of contract at all, but rights created by statute," which can be destroyed by the same power that created them. Judge Parker then concluded:

"Since the provisions of section 2(a) of the act, striking down portal-to-portal claims not based on contract, custom or practice are valid, there can be no question as to the validity of section 2(d) denying jurisdiction to the courts to entertain the claims. Whether the denial of jurisdiction would be valid if the provision striking down the claims were invalid is a question which does not arise." [124]

In a portal-to-portal suit in the Sixth Circuit (where the same issues were raised) the Act did not seek "to interfere with the power of the judiciary to protect rights vested under the Fifth Amendment," [125] and then added:

"Should Congress undertake to withdraw from the courts jurisdiction to consider and determine pure questions of ownership or title to property . . . a more serious question would be presented, but we are not confronted here with such a case." [126]

Judge Chase was even more pointed in the Portal-to-Portal suit in the Second Circuit. He wrote for that court as follows:

"A few of the district court decisions sustaining section 2 of the Portal-to-Portal Act have done so on the ground that since jurisdiction of federal courts other than the Supreme Court is conferred by Congress, it may at the will of Congress be taken away in whole or in part. . . . We think, however, that the exercise by Congress of its control over jurisdiction is subject to compliance with at least the requirements of the Fifth Amendment. That is to say, while Congress has the undoubted power to give, withhold, and restrict the jurisdiction of the courts other than the Supreme Court, it must not so exercise that power as to deprive any person of life, liberty, or property without due process of law or to take private property without just compensation." [127] (Emphasis supplied.)

Here, of course, President Nixon is asking the Congress to do what the Congress did not do in the Portal-to-Portal Act, i.e. "to interfere with the power of the judiciary to protect rights" vested under the Constitution. His proposals challenge not only "busing," but the very idea of law itself.

The Portal-to-Portal cases strongly indicate that Congress has no power to withhold or restrict the jurisdiction of the "inferior" courts when the withholding or restriction of that jurisdiction would deny or deprive persons of property rights guaranteed by the Fifth Amendment. It follows that Congress has no power to withhold or restrict the jurisdiction of the "inferior" courts when the withholding or restriction (as suggested by the Nixon "busing" proposals) would deny school children of the rights already declared to be theirs under the Equal Protection Clause of the Fourteenth Amendment.

CONCLUSION

President Nixon wants to put the Constitution on the back of the bus, and to give the federal courts a second-class citizenship among the three independent branches of government. He has found a scapegoat, but no solution to a difficult problem.

Many parents have legitimate concerns that their children will be transported from "nice" neighborhoods into schools that are old, dirty, dilapidated, over-crowded, understaffed, and located in the "bad" section of town. But if the schools are harmful for one child, they are harmful for all children.

The problem is not the bus ride, but what one finds when the bus ride ends. The solution is to replace the bad schools, and to upgrade the educational opportunities within. This requires money, much more than the token amount requested by the President.

But improvement of the schools is not enough. Education has had to shoulder a disproportionate share of the burdens of overcoming the effects of segregation. We should now put our efforts in overcoming economic barriers, in overcoming segregated housing patterns, so that every neighborhood will have its own desegregated school. But that, unfortunately, lies in the future. As for the immediate present, we can do no more than applaud the remarks made by Florida Governor Reubin Askew when he asked the people of Florida to repudiate the anti-busing proposal on the ballot in that state:

"I hope we can say to those who would keep us angry, confused and divided that we're more concerned about a problem of justice than about a problem of transportation.

"And that while we're determined to solve both, we're going to take justice first." [128]

FOOTNOTES

[1] Mondale, Busing in Perspective, *The New Republic*, March 4, 1972, 18.

[2] *Ibid.* at p. 17.

[3] There Goes the Bus, *The New Republic*, April 1, 1972, p. 13. The Floridians also voted 79 percent for desegregated, or "equal opportunity" public education.

[4] The bills were introduced on March 20 by William M. McCulloch, the senior Republican member of the House Judiciary Committee. Mr. McCulloch subsequently repudiated them both, when a thorough study convinced him that they were unconstitutional and unjust. When Acting Attorney General Richard Kleindienst came to testify before the House Judiciary Committee in favor of the bills, McCulloch declared:

"It is with the deepest regret that I sit here today to listen to a spokesman for a Republican Administration asking the Congress to prostitute the courts by obligating them to suspend the equal protection clause (of the Constitution) so that Congress may debate the merits of further slowing down and perhaps even rolling back desegregation in public schools . . ."

He asked the witness: "What message are we sending to our black people? Is this any way to govern a country? Is this any way to bring peace to a troubled land?" AFL–CIO News, April 15, 1972, p. 6, col. 4.

[5] H.R. 13916, 92d Cong. 2d Sess. sec. 3(a). The moratorium is to begin the day after the enactment of this Act, and terminate either on July 1, 1972, or on the date of enactment of the companion bill, whichever is earlier.

[6] H.R. 13915, 92d Cong., 2d Sess. sec. 2(a)(1).

[7] H.R. 13915 at sec. 101(a).

[8] H.R. 13915, sec. 2(a)(2).

[9] H.R. 13915, sec. 403(a). It has been the personal experience of one of these authors (the father of three children) that integration is easier and more effective at the first

grade level then when it occurs at either the junior or the senior high school level.

[10] H.R. 13915, sec. 403(b).

[11] H.R. 13915, sec. 402.

[12] H.R. 13915, sec. 404.

[13] White House Press Release, March 17, 1972.

[14] Press Release, p. 9.

[15] Press Release, p. 9. One can then only question the findings in Section 2(a) of the proposed Moratorium bill: "For the purpose of desegregation, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students . . . these reorganizations, with attendant increases in student transportation, have caused substantial hardship to the children thereby affected. . . ."

[16] Press release, p. 24.

[17] 163 U.S. 537.

[18] Press Release, p. 16.

[19] Press Release, p. 24.

[20] Press Release, p. 7.

[21] Press Release, p. 12.

[22] Press Release, p. 20.

[23] See generally, Pollitt, Equal Protection in Public Education: 1954–61, 47 AAUP Bulletin 197 (1961).

[24] Note 17, infra.

[25] 347 U.S. 483 (1954).

[26] 347 U.S. at 495.

[27] The general initial reaction was one of resigned acceptance. The Governor of West Virginia immediately announced that the state would abide by the Brown decision, Governor Cherry said: "Arkansas will obey the law—It always has", Governor Whetherby announced "Kentucky will do whatever is necessary to comply with the law "Oklahoma's Governor Raymond Gary warned that the school boards then contemplating defiance would get no aid or comfort from him; and similar statements were issued by the Governors of Virginia, North Carolina and other southern states. See Pollitt, note 23, infra, at pp. 200–201.

[28] 349 U.S. 294 (1955).

[29] Contrast the proposal of President Nixon that the Congress "specify the appropriate remedies for the elimination" of segregated dual school-systems throughout the land, wherever they exist. H.R. 13915, sec. 3(b).

[30] 349 U.S. at 301 (1955).

[31] James Meredith was not the first Black to attempt enrollment at the University of Mississippi. Clennon King was the first, and he was arrested while standing in line at the administration building and taken to a nearby state mental hospital for examination. Clyde Kennard was the second. He was arrested and convicted of reckless driving as he approached the administration building. The first Negro to apply for admission to the University of Georgia was suddenly inducted into the Army, despite previous exemption due to physical disability; and Mr. Hawkins, after nine years of litigation and a Supreme Court decision in his favor, discovered that he was unable to qualify for admission to the Florida Law School under recently enacted admission standards. Pollitt, note 23, infra, p. 201.

[32] See Pollitt, Presidential Use of Troops To Execute the Laws, 36 N.C.L. Rev. 117 (1957).

[33] *Cooper* v. *Aaron*, 358 U.S. 117 (1958).

[34] Compare the preamble of the Nixon Moratorium Bill: "There is a substantial likelihood that . . . many local educational agencies will be required (by the courts) to implement desegregation plans that impose a greater obligation than required by the fourteenth amendment". H.R. 13916, sec. 2(a)(5). In fact, the purpose of the proposed legislation is to "interpose" the Congress between the citizens and the federal courts.

[35] *United States* v. *Louisiana*, 363 U.S. 1 (1960).

[36] See Pollitt, note 27, infra, at p. 202.

[37] Ibid.

[38] 104 *Cong. Rec.* 17437 (daily ed. Aug. 21, 1958). See Pollitt, Should the Supreme Court be Curbed?, 37 *N.C.L. Rev.* 17 (1958).

[39] See Pollitt, note 23, infra, at p. 202.

[40] See, e.g., *NAACP v. Button*, 371 U.S. 415 (1963).

[41] See, e.g., *Shelton* v. *McKinly*, 174 F. Supp. 351 (E.D. Ark. 1959).

[42] See, e.g., *Shelton* v. *Tucker*, 364 U.S. 479 (1960).

[43] See, e.g., *Gibson* v. *Florida Legislative Investigation Committee*, 372 U.S. 539 (1963).

[44] See *Scull* v. *Virginia*, 359 U.S. 344 (1959).

[45] *Griffin* v. *County School Board*, 377 U.S. 218, 234 (1964). This case involved Prince Edward County, Virginia, one of the defendants in the 1954 *Brown* series of decisions. After that adverse opinion, the county officials had closed the public schools, and contributed public support to "private" segregated white academies; leaving the black population totally without any educational opportunities. The Court ordered the local school board to reopen the public schools, and to cease financial assistance to the parents of the white children attending the "private" schools.

[46] *Green* v. *County School Board*, 391 U.S. 430, 439 (1968). Here, the Supreme Court held that a "freedom-of-choice" plan which allows the individual pupil to choose his own public school does not constitute adequate compliance with the decision in *Brown* v. *Board of Education*. There were two schools in the county and no attendance zones. Under the "freedom of choice" plan, all the white children chose the school formerly restricted to whites; and all but a handful of the black children selected the school formerly restricted to blacks. The Court ordered the school board "to convert promptly to a system without a 'white' school and a 'negro' school, but just schools." 391 U.S. at 442.

[47] *Alexander* v. *Board of Education*, 396 U.S. 19 (1969). In early July, the Court of Appeals ordered a number of Mississippi school systems to desegregate by the opening of the coming school year. In late August, the Department of Justice, on the recommendation of the Secretary of the Health, Education, and Welfare, moved the Court of Appeals to delay the date of the integration order. The Court of Appeals did so. See opinion of Mr. Justice Black "in Chambers," 396 U.S. at 1218. The Supreme Court reversed, and directed the school systems "immediately to operate as unitary school systems within which no person is to be effectively excluded from any school because of race or color." 296 U.S. at p. 20.

[48] *Carter* v. *West Feliciana Parish School Board*, 396 U.S. 226 (1969); *Dowell* v. *Board of Education of Oklahoma City*, 396 U.S. 269 (1969). In *Carter* the Court of Appeals on December 1, 1969, ordered certain plans of the desegregation for three Louisiana school districts, but postponed the effective date of the plans until the school year of 1970–1971. The Supreme Court reversed and ordered the plans effectuated by February 1 of 1970. In *Dowell*, the District Court ordered the revision of some school attendance boundaries by September 2 of 1969. This was on August 13. On August 27, the Court of Appeals reversed the "partial plan". The Supreme Court in turn reversed the Court of Appeals, because the school board must "desegregate an unconstitutional system *at once*".

In *Keyes* v. *Denver School District*, 396 U.S. 1215 (1969), the Court of Appeals had postponed a desegregation order "on the premise that public support for the plan might be developed during the period of delay. Mr. Justice Brennan, "in Chambers", reversed, citing the Little Rock case, he said "the desirability of developing public support for a plan designed to redress de jure segregation cannot be justification for delay". 396 U.S. at 1217.

[49] New York Review of Books, April 20, 1972, p. 10.

[50] This was on August 3rd, 1971 when he announced at a press conference that he had asked the Secretary of HEW to submit to Congress an amendment to the proposed Emergency School Assistance Act—to "expressly prohibit expenditure of any of these funds for busing". The Emergency School Assistance Act authorized the expenditure of a billion and a half dollars to segregated school systems to aid and assist in the process of achieving a "unitary" school system.

[51] — U.S. —, 91 S. Ct. 1267 (1971).

[52] 91 S. Ct. at p. 1273. Charlotte had segregated residential patterns which resulted in part from federal, state, and local government action. Prior to *Brown*, it had a segregated dual school system. After *Brown*, Charlotte embarked upon a school construction program, locating a series of small elementary schools deep within the different residential zones. In 1966, Charlotte abandoned its dual school system, and assigned children to the school nearest their homes, with a free transfer provision. The result was that two-thirds of the Negro students attended 21 schools which were either totally, or more than 99% black. The faculties, and the school buses, were equally segregated.

Judge McMillan ordered school assignment on a "satellite zone" basis. One black inner-city school was grouped with two or three white outlying schools; children from grades one through four were assigned to the outlying schools; children in grades five and six were assigned to the inner city schools. The Supreme Court approved of these gerrymandered school districts and attendance zones:

"Absent a constitutional violation there would be no basis for judicially ordering assignment of students on a racial basis. All things being equal, with no history of discrimination, it might well be desirable to assign pupils to schools nearest their homes. But all things are not equal in a system that has been deliberately constructed and maintained to enforce racial segregation. The remedy for such segregation may be administratively awkward, inconvenient and even bizarre in some situations and may impose burdens on some; but all awkwardness and inconvenience cannot be avoided in the interim period when remedial adjustments are being made to eliminate the dual school systems." 91 S. St. at p. 1282.

[53] 91 S. Ct. at p. 1280.

[54] — U.S. —, 91 S. Ct. 1287 (1971).

[55] — U.S. —, 91 S. Ct. at p. 1280.

[56] 91 S. Ct. at p. 1283.

[57] 91 S. Ct. at p. 1283.

[58] 91 S. Ct. at p. 1288.

[59] 91 S. Ct. at p. 1283.

[60] 91 S. Ct. at p. 1282.

[61] 91 S. Ct. 1284 (1971).

[62] 91 S. Ct. at p. 1286.

[63] 91 S. Ct. at p. 1286.

[64] 91 S. Ct. at p. 1288.

In *Swann*, those opposed to the integration order argued that the "busing" was prohibited by Title IV of the Civil Rights Act of 1964, which provides in part that "nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils. . . ." The Supreme Court rejected this contention, and said:

"There is no suggestion of an intention to restrict those powers or withdraw from courts their historic equitable remedial powers. The legislative history of Title IV indicates that

Congress was concerned that the Act might be read as creating a right of action under the Fourteenth Amendment in the situation of so-called 'de facto segregation' where racial imbalance exists in the schools but with no showing that this was brought about by discriminatory action by state authorities. In short, there is nothing in the Act which provides us material assistance in answering the question of remedy for state-imposed segregation in violation of *Brown* 1. The basis of our decision must be the prohibition of the Fourteenth Amendment that no State shall 'deny to any person within its jurisdiction the equal protection of the laws' ". 91 S. Ct. at p. 1277.

[65] Press Release, p. 18.

[66] 5 U.S. (1 Cranch) 137. (1803).

[67] 5 U.S. (1 Cranch) at p. 162.

[68] 5 U.S. (1 Cranch) at p. 163.

[69] *Hunt* v. *Palao*, 45 U.S. (4 How.) 589 (1846). This case was on appeal to the Supreme Court from the Territorial Court for the Territory of Florida. While the appeal was pending, Florida became a state, and the territorial court was abolished. Mr. Chief Justice Taney dismissed the appeal out of hand, because "there is no tribunal to which we are authorized to send a mandate to proceed further in the case, or to carry into execution the judgment which this court may pronounce."

[70] *McNaulty* v. *Batty*, 51 U.S. (10 How.) 72 (1850). Here, the case was on appeal to the Supreme Court from the Territorial Court in the Territory of Wisconsin. Pending appeal, Wisconsin became a state and the Territorial Court abolished. The Court dismissed the appeal because "there is no court in existence to which the mandate of this court could be sent to carry into effect our judgment. Our power, therefore, would be incomplete and ineffectual, were we to consent to a review of the case". 51 U.S. at 79.

[71] *United States* v. *Yale Todd*, appended to the opinion in United unreported at the time, but subsequently appended to the opinion in *United States* v. *Ferreira*, 54 U.S. (13 How.) 40 (1851).

[72] *Hayburn's Case*, 2 U.S. (2 Dall) 409 at 410 (1792).

[73] 2 U.S. (2 Dall) 409 at 412–413 (1792).

[74] 2 U.S. (2 Dall) 409 at 411 (1792).

[75] See, eg., *United States* v. *Ferreira*, 54 U.S. (13 How.) 40 (1851); *Muskrat* v. *United States*, 219 U.S. 346 (1911).

[76] 117 U.S. 697 (1864).

[77] 117 U.S. at 702, 700.

[78] H.R. 13915, 92d Cong., 2d Sess (1972), sec. 403(a).

[79] See text at note 14, infra.

[80] Article 111, sec. 2.

[81] Article 111, sec. 1.

[82] Article 111, sec. 2.

[83] 1 Stat. 81

[84] *Ex parte McCardle*, 73 U.S. 318, 324 (1867)

[85] *Ibid.*

[86] 15 Stat. 44 (1868).

[87] *Ex parte McCardle*, 74 U.S. 506, 515 (1868).

[88] 75 U.S. 85 (1868).

[89] 75 U.S. at 106 (1868).

[90] 80 U.S. 128 (1871).

[91] Act of July 17, 1862, 12 Stat. 589.

[92] The various statutes and Presidential Proclamations are discussed in *United States* v. *Klein*, 80 U.S. 132–134.

[93] *United States* v. *Padelford*, 76 U.S. 531 (1870).

[94] Act of July 12, 1870, 16 Stat. 235.

[95] 80 U.S. 128 at p. 145.

[96] *Ibid.*, at p. 147

[97] *Ibid.*

[98] *Ibid.* at p. 147–148.

[99] 5 U.S. (1 Cranch) 137. See text at note 67 for discussion of a different aspect of the case.

[100] Congress provided by law that the Supreme Court would have *original* jurisdiction to issue writs of mandamus to those holding office under the authority of the United States. Sec. 13 of the Judiciary Act of 1789, 1 Stat. 73.

[101] The Constitution provides that the Supreme Court would have *original* jurisdiction only in two categories of cases, those affecting Ambassadors, and those in which States shall be a party. It does not say that the Supreme Court would have *original* jurisdiction to issue writs of mandamus to those holding office under the authority of the United States.

[102] 5 U.S. (1 Cranch) 137 at pp. 177–178.

[103] Article 111, sec. 1.

[104] *Ibid.*

[105] Article 111, Sec. 2.

[106] The Federalist, No. 81.

[107] 3 *Elliot's Debates on the Federal Constitution*, 540–541.

[108] 35 *American Bar Association Journal* 3 (1949).

[109] See text at note 87, infra.

[110] See text at note 96, infra.

[111] *Turner* v. *The President, Directors and Company of the Bank of North America*, 4 Dall 8.

[112] Wright, *Federal Courts*, pp. 23–24.

[113] 260 U.S. 226 (1922).

[114] 260 U.S. at p. 234.

[115] The Johnson Act of 1934, 48 Stat. 775, 28 USC sec. 1342, provides that the federal courts are not to enjoin or restrain the utility rates made by a state agency so long as "a plain, speedy and efficient remedy may be had in the courts of such state".

The Tax Injunction Act of 1937, 50 Stat. 738, 28 USC sec. 1341, similarly provides that no federal court is to enjoin or restrain the collection of any tax under state law "where a plain, speedy and efficient remedy may be had in the courts of such State".

[116] 47 Stat. 73, 29 USC sec. 113.

[117] Shinner, who sought and obtained the injunction in the lower federal court argued only that the picketing in front of his store did not constitute a "labor dispute" within the meaning of the Norris-LaGuardia Act, because none of the pickets were employed by him. He did not argue that he had a constitutional right to a federal court injunction against labor union picketing.

[118] *Lauf* v. *E. G. Shinner & Co.*, 303 U.S. 323, 330 (1938).

[119] See, e.g., *Dombrowski* v. *Pfister*, 380 U.S. 479. There, a federal law forbad the federal courts to "stay proceedings in a state court". Nonetheless, the Supreme Court approved of a federal court injunction against a threatened state criminal prosecution, because the state criminal law "chilled" the exercise of First Amendment freedoms.

See also *Lipke* v. *Lederer*, 259 U.S. 557 (1922), where a federal law forbad a federal court from entertaining any suit "for the purpose of restraining the assessment or collection of any tax". The Supreme Court, despite this jurisdictional barrier, issued an injunction against the collection of money allegedly due under a federal tax law, upon a conclusion that the amount of money demanded was an "unconstitutional penalty", and thus not a "tax".

[120] 29 U.S.C. sec. 201 ff.

[121] *Tennessee Coal Co.* v. *Muscoda Local*, 321 U.S. 590; *Jewell Ridge Co.* v. *Local No. 6167*, 325 U.S. 161; *Anderson* v. *Mt. Clemens Pottery Co.*, 328 U.S. 680.

[122] The legislative background, and the statute itself, is described at some length in *Seese* v. *Bethlehem Steel Co.*, 168 F. 2d 58 (4th Cir., 1948).

[123] *Ibid.*

[124] 165 F. 2d at p. 65.

[125] *Fisch* v. *General Motors Corporation*, 169 F. 2d 266, 277 (6th Cir., 1948).

[126] 169 F. 2d at p. 273.

[127] *Battaglia* v. *General Motors Corporation*, 169 F. 2d 254, 257 (2d Cir. 1948).

[128] Address on February 21, 1972 at the Governor's Luncheon of the Central Florida Fair in Orlando. Reprinted in 3 *South Today*. No. 9, May, 1972, pp. 2–3.

GOVERNMENT SECRECY COSTS TWICE AS MUCH AS GOVERNMENT PUBLIC INFORMATION

Mr. MOORHEAD. Mr. Speaker, our supposedly democratic form of government is spending twice as much of the taxpayers' money to hide information as it spends to inform the American public.

This disturbing fact is based on a comparison of the special report on the costs of operating the Government's security classification system, prepared by the General Accounting Office, to a report from the Office of Management and Budget following President Nixon's order to cut down Government "public relations" programs.

The GAO analysis was requested last summer by the Foreign Operations and Government Information Subcommittee, which is charged with the duty of determining the economy and efficiency of Government information activities. The OMB figures were compiled from reports of Government agencies the year after they were ordered by President Nixon to cut down "self-serving and wasteful public relations activities" outside the White House.

The GAO surveyed the secrecy systems in the Department of Defense and State, the Atomic Energy Commission, and the National Aeronautics and Space Administration—the four agencies responsible for the huge bulk of documents classified under the secrecy system. Those four agencies, the GAO reported, spend $126,322,394 annually on various activities related to the security classification system, such as the classification, declassification, storing, and safeguarding of Government documents and the conduct of personnel security investigations.

The OMB listed the annual expenditures of the same four agencies for all of their public information programs as $64,029,000.

While the $126,000,000 annual secrecy expense covers the top four secret-generating agencies in Government, it is only a part of the total cost of hiding information from the public. The GAO admitted that even their experts could not get all of the data necessary to arrive at the total cost of the security classification system. They said they had to use assumptions, extrapolations, and other cost-estimating techniques and had to ignore some costs where estimates could not be readily developed.

One of the biggest blanks in the GAO study of the cost of secrecy is the money that defense contractors charge the taxpayers for their role in the Government's secrecy system. None of the big four Government agencies gave the GAO firm figures on this cost, but we are working with the auditors to develop a firm estimate on the cost of secrecy added to defense contracts. It will, I fear, add hundreds of millions of dollars to the secrecy budget.

Following is GAO's "Schedule of Security Costs." The full GAO report is available in the subcommittee's files.

APPENDIX I

SCHEDULE OF SECURITY COSTS

Category	National Aeronautics and Space Administration (fiscal year 1970)	Atomic Energy Commission (fiscal year 1971)	Department of State (fiscal year 1970)	Department of Defense (fiscal year 1970)
Management and policy	$174,000	(1)	(2)	$4,700,000
Classification, regarding, and declassification	162,700	$4,200,000	(2)	1,993,000
Transmission of classified documents	247,500	(1)	$4,976,900	15,781,000
Safeguarding of classified documents	2,602,500	4,400,000	4,644,125	6,845,000
Personnel security investigations	50,000	[3] 6,100,000	1,837,900	[3] 58,155,000
Training and indoctrination	(4)	300,000	(2)	1,253,000
Security costs included in costs of Government contracts	(2)	(2)	(2)	(2)
Counter intelligence and espionage activities related to document security		(2)	$1,218,669	$5,009,000
Administration and enforcement of security policies, procedures, and regulations	(2)	(2)	1,672,100	(2)
Total	$3,236,700	$15,000,000	14,349,694	93,736,000
Grand total	$126,322,394			

[1] Included in the next category
[2] No estimate.
[3] Includes investigative costs of agency and contractor personnel.
[4] Included with safeguarding of classified documents.

SCRUTINY AND EVALUATION OF BIDS FOR WMATA

(Mr. CABELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CABELL. Mr. Speaker, under unanimous consent, I include herewith a letter to the Comptroller General over my signature:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., May 11, 1972.

Hon. ELMER STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR GENERAL STAATS: A situation has arisen concerning the awarding of a contract for over $100,000,000.00 for equipment by the Washington Metropolitan Area Transit Authority which in my opinion merits the scrutiny of your office. As you are aware, the U.S. Government will ultimately provide about two-thirds of the funding for this operation.

The original estimate by WMATA for this equipment was $119,043,364.00. Two of the qualified bidders were within $18,000.00 of each other at $103 million, 130 thousand plus, while the low bidder submitted a bid of $91,607,000.00.

In the opinion of some, this suspect as being an "irresponsible" bid, submitted with the hope that suggested changes and claims for over-runs would result in materially increased payments.

It has been further alleged on good authority that this bidder, Rohr Industries of Chula Vista, California, which has a very large contract with the Bay Area Transit Authority (BART), has had considerable difficulty in meeting its commitments and has asked for considerable overages.

The other two bidders previously mentioned are General Electric Corporation and Ling-Tempco-Vought. Since LTV is headquartered in my district and employs thousands of my constituents, I have more than a passing interest in making a thorough study of the capabilities and creditability of all bidders concerned. Please also bear in mind that I have a deep responsibility as chairman of the subcommittee handling the bond legislation for WMATA to be sure that any bid ultimately accepted is by a responsible bidder and that the government will not be faced with possible difficulties of nonspecification deliveries or excessive cost over-runs.

Your close scrutiny and evaluation of these bids will be deeply appreciated.

Respectfully,

EARLE CABELL,
Member of Congress.

NBC NEWS COMMENTATOR DAVID BRINKLEY HAS PRAISE FOR PRESIDENT NIXON'S LATEST VIETNAM PEACE OFFER

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, considering all the bitter and emotional criticism that has been voiced on this floor in the past week, and also around the country, with reference to the latest peace offer on Vietnam put forward by President Nixon over television last Monday. I was amazed and pleased last Thursday evening to hear over the radio some rather emphatic words of praise for the President's offer—and from a rather unexpected source at that, the nationally famous NBC network commentator, David Brinkley.

I think all will agree that Mr. Brinkley is not one of Mr. Nixon's more vocal fans nor is he regarded exactly as a "hawk" when it comes to Vietnam terminology. So, Mr. Speaker, when David Brinkley says, as he said on NBC radio on Tuesday night, that if the North Vietnamese "refuse to take this offer, they must be half crazy" one does tend to sit up and take notice.

Perhaps the knee-jerk critics are so used to finding fault with everything we do in Vietnam that they have not bothered even to analyze this latest peace offer. At least that would appear to be the case in the light of Mr. Brinkley's pithy comments.

But let David Brinkley speak for himself; he puts the case much more forcefully and bluntly than I could do. Here is the full text of his NBC nightly news broadcast for Thursday, May 11, 1972;

NBC NIGHTLY NEWS, BRINKLEY, MAY 11, 1972

We hear in Washington that the Russians were carefully told in advance about the plan to mine Haiphong harbor and bomb the railroads.

And told this was part of a package . . the rest of the package being a peace offer with such easy terms Hanoi could hardly turn it down.

Today . . . after some deliberation . . . the Russians publicly responded . . . and while they made all the ritual statements of anger, there was no real heat in them . . and they carefully avoided mention of President Nixon by name . . and any mention of the summit meeting.

That would seem to bear out the report they were briefed in advance about the two-part package—mining Haiphong and offering peace on the easiest terms.

And they are easy . . . about as easy as they could possibly be—with a cease-fire and return of the prisoners, the Americans will leave within four months, period. It is hard to see how they could ask for more . . . or, indeed, what more there is to ask.

But Hanoi rejected it with a lot of bombast that made no sense. They talked of refusing an ultimatum when there was no ultimatum.

About all they could ask beyond this would be to have South Viet Nam handed to them on a Ming platter with a sprig of parsley and an egg roll and a nice cup of tea.

If they actually expect any American President to deliver South Viet Nam to them . . . rather than leaving so they can try to take it . . . it is hard to take them seriously. No President could possibly do that.

Even those in this country who have thought for years the war was a colossal blunder would find it hard to think up a peace offer easier than this one.

Even if it's thought the U.S. has been wrong in Viet Nam . . it does not necessarily follow that Hanoi is right.

And if they refuse to take this offer, they must be half crazy.

LEAVE OF ABSENCE

The following Members (at the request of Mr. GERALD R. FORD):

Mr. MCEWEN, for today and the balance of the week, on account of medical reasons.

Mr. FISH, for the week of May 15, on account of official business.

Mr. ESHLEMAN, for today, on account of continued recuperation.

Mr. BOW, for today through May 22, on account of official business.

Mr. MCKEVITT, for today and tomorrow, on account of official business.

The following Members (at the request of Mr. BOGGS):

Mr. MCKAY, for today and the balance of the week, on account of illness (back injury).

Mr. LINK, for today, on account of official business.

Mr. DENHOLM, for the week of May 15, on account of official business.

Mr. HAGAN, for today and May 16 and 17, on account of official business.

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. DANIELS of New Jersey, for May 16 through June 6, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 10 minutes, today, to revise and extend his remarks and include extraneous material.

Mr. GONZALEZ, his special order, today, vacated and transferred to Monday, May 22, for 1 hour.

(The following Members (at the request of Mr. MILLS of Maryland) and to revise and extend their remarks and include extraneous matter:)

Mr. QUIE, for 15 minutes, today.
Mr. RHODES, for 5 minutes, today.
Mr. TALCOTT, for 10 minutes, today.
Mr. SCHWENGEL, for 10 minutes, today.
Mr. WYMAN, for 5 minutes, today.

(The following Members (at the request of Mr. SEIBERLING) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. PATMAN, for 5 minutes, today.
Mr. BEGICH, for 15 minutes, today.
Mr. MINISH, for 5 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. DIGGS, for 10 minutes, today.
Mr. BOLAND, for 10 minutes, today.
Mr. ASPIN, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MILLS of Maryland) and to include extraneous matter):

Mr. RHODES in five instances.
Mr. ZWACH.
Mr. WYMAN in two instances.
Mr. MINSHALL.
Mr. MCCLOSKEY.
Mr. SMITH of California.
Mr. THONE in two instances.
Mr. SMITH of New York in two instances.
Mr. COLLIER in three instances.
Mr. THOMSON of Wisconsin.
Mr. GOODLING.
Mr. WYDLER in two instances.
Mr. HOSMER in two instances.
Mr. EDWARDS of Alabama.
Mr. SCHWENGEL.
Mr. MCKINNEY.
Mr. BRAY in three instances.
Mr. CRANE in five instances.

(The following Members (at the request of Mr. SEIBERLING) and to include extraneous matter):

Mr. STOKES in three instances.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. ROONEY of Pennsylvania in two instances.
Mr. ROGERS in five instances.
Mr. HUNGATE in three instances.
Mr. DINGELL in two instances.
Mr. RODINO in three instances.
Mr. ROONEY of New York in two instances.
Mr. BURKE of Massachusetts.
Mr. LEGGETT in three instances.
Mr. ANNUNZIO.
Mr. ASPIN in 10 instances.
Mr. HATHAWAY.
Mr. BADILLO in five instances.
Mr. ANDERSON of California in two instances.
Mr. CASEY of Texas.
Mr. MOORHEAD in five instances.
Mr. FRASER in five instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 953. An act to authorize long-term leasing of Indian land on the Walker River Reservation, to the Committee on Interior and Insular Affairs.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on May 12, 1972, present to the President, for his approval, a bill of the House of the following title:

H.R. 13334. To establish certain positions in the Department of the Treasury, to fix the compensation for those positions, and for other purposes.

ADJOURNMENT

Mr. SEIBERLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 16, 1972, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1974. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report of the estimated value of support furnished from military functions appropriations in various countries for the third quarter of fiscal year 1972, pursuant to section 738(b) of Public Law 92–204; to the Committee on Appropriations.

1975. A letter from the Administrator, Small Business Administration, transmitting the Annual Report of the Small Business Administration for calendar year 1971; to the Committee on Banking and Currency.

1976. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report of Department of Defense procurement from small and other business firms for July 1971, through February 1972, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

1977. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes; to the Committee on the District of Columbia.

1978. A letter from the Assistant Secretary of the Interior, transmitting notice of receipt of an application for a loan from the Calaveras County Water District, San Andreas, Calif., pursuant to section 10 of the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

1979. A letter from the Assistant Secretary of the Interior, transmitting a copy of a proposed grant with the Colorado School of Mines, Golden, Colo., for a research project entitled "The Role of Minerals and Energy in the Colorado Economy," pursuant to Public Law 89–672; to the Committee on Interior and Insular Affairs.

1980. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued provision of concession facilities and services for the public within the National Capital Parks, and such other areas of the National Park System as the Secretary of the Interior may designate for a period of 20 years ending December 31, 1991, pursuant to 67 Stat. 271; to the Committee on Interior and Insular Affairs.

1981. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Merchant Marine Act of 1970; to the Committee on Merchant Marine and Fisheries.

1982. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend subchapter III of chapter 83 of title 5, United States Code, to provide for mandatory retirement of employees upon attainment of 70 years of age and completion of 5 years of service, and for other purposes; to the committee on Post Office and Civil Service.

1983. A letter from the Acting Administrator of General Services, transmitting prospectuses proposing acquisition of space to be constructed under a lease arrangement for a Federal Office Building at Parkersburg and a Records Depository in the vicinity of Parkersburg, W. Va., for the Bureau of Public Debt, Department of the Treasury, pursuant to section 404 of Public Law 92–49; to the Committee on Public Works.

1984. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on contracts negotiated by NASA during the period July through December 31, 1971, under the authority of 10 U.S.C. 2304(a) (11) and (16), pursuant to section 2304(e); to the Committee on Science and Astronautics.

1985. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering the third quarter of fiscal year 1972 on grants approved by his office which are financed wholly with Federal funds and subject to the reporting requirements of section 1120(b) of the Social Security Act; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1986. A letter from the Comptroller General of the United States, transmitting a report on the need for legislation to authorize more economical ways of providing durable medical equipment under the medicare program, administered by the Department of Health, Education, and Welfare; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ABBITT: Committee of conference. Conference report on H.R. 13361 (Rept. No. 92–1964). Ordered to be printed.

Mr. ROONEY of New York: Committee on Appropriations. H.R. 14989. A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1973, and for other purposes. (Rept. No. 92–1065). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING (for himself and Mr. LLOYD):

H.R. 14962. A bill to declare certain Federal lands held in trust for the Confederated Tribes of the Goshute Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI:

H.R. 14963. A bill to amend the Economic Stabilization Act of 1970 to authorize the hiring of senior citizens as price control wardens to enforce price and wage control regulations; to the Committee on Banking and Currency.

H.R. 14964. A bill to amend the Internal Revenue Code of 1954 to allow a deduction in computing gross income for theft losses sustained by individuals, for certain amounts paid to protect against theft, for medical expenses caused by criminal conduct, and for funeral expenses of victims of crime; to the Committee on Ways and Means.

By Mr. BOLAND:

H.R. 14965. A bill to provide reimbursement to States and political subdivisions for police and National Guard overtime compensation incurred with respect to national policy; to the Committee on the Judiciary.

By Mr. BYRON:

H.R. 14966. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mrs. HICKS of Massachusetts:

H.R. 14967: 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. HOGAN:

H.R. 14968. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. KARTH:

H.R. 14969. 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.

H.R. 14970. A bill to promote the foreign policy and security of the United States by providing authority to negotiate a commercial agreement with Rumania, and for other purposes; to the Committee on Ways and Means.

By Mr. KOCH:

H.R. 14971. A bill to amend the Elementary and Secondary Education Act of 1965 to assist school districts to carry out locally approved school security plans to reduce crime against children, employees, and facilities of their schools; to the Committee on Education and Labor.

H.R. 14972. A bill to amend the Economic Opportunity Act of 1964 to provide that elections for membership on boards of community action agencies do not take place on a Sabbath Day; to the Committee on Education and Labor.

By Mr. PATMAN:

H.R. 14973. A bill to authorize construction of the Little Cypress Lake and Reservoir, Tex.; to the Committee on Public Works.

By Mr. POFF:

H.R. 14974. A bill to amend certain provisions of law relating to the compensation of the Federal representatives on the Southern and Western Interstate Nuclear Boards; to the Committee on the Judiciary.

By Mr. PRYOR of Arkansas (for himself, Mr. BADILLO, Mr. BERGLAND, Mr. BINGHAM, Mr. BRASCO, Mr. BRINKLEY, Mr. BROOMFIELD, Mr. BURTON, Mr. DERWINSKI, Mr. DINGELL, Mr. DRINAN, Mr. EILBERG, Mr. FRASER, Mr. HALPERN, Mr. HARRINGTON, and Mrs. HECKLER of Massachusetts):

H.R. 14975. A bill to direct the Secretary of Labor to provide for volunteer employment programs for older persons and to develop a resource directory on the availability of the skills, talents, and experience of those persons; to the Committee on Education and Labor.

By Mr. PRYOR of Arkansas (for himself, Mrs. HICKS of Massachusetts, Mr. KYROS, Mr. LINK, Mr. MACDONALD of Massachusetts, Mr. MADDEN, Mr. MELCHER, Mr. MITCHELL, Mr. MOORHEAD, Mr. PEYSER, Mr. PIKE, Mr. PODELL, Mr. RANGEL, Mr. ROY, Mr. RYAN, and Mr. SARBANES):

H.R. 14976. A bill to direct the Secretary of Labor to provide for volunteer employment programs for older persons and to develop a resource directory on the availability of the skills, talents, and experience of those persons; to the Committee on Education and Labor.

By Mr. PRYOR of Arkansas (for himself, Mr. SCOTT, Mr. SHOUP, Mr. STEELE, Mr. STOKES, Mr. SYMINGTON, Mr. TIERNAN, Mr. VEYSEY, Mr. WARE, Mr. WOLFF, and Mr. CHARLES H. WILSON):

H.R. 14977. A bill to direct the Secretary of Labor to provide for volunteer employment programs for older persons and to develop a resource directory on the availability of the skills, talents, and experience of those persons; to the Committee on Education and Labor.

By Mr. QUIE:

H.R. 14978. A bill to amend the Public Health Service Act so as to provide prevention and control of venereal disease; to the Committee on Interstate and Foreign Commerce.

H.R. 14979. A bill relating to the expenditure of funds for the restoration or extension of the west-central front of the U.S. Capitol; to the Committee on Public Works.

H.R. 14980. A bill relating to the expenditure of funds for repair or construction work on or about the U.S. Capitol; to the Committee on Public Works.

H.R. 14981. A bill to abolish the Commission for Extension of the U.S. Capitol, to repeal the authority for the extension of the west-central front of the U.S. Capitol, and for other purposes; to the Committee on Public Works.

By Mr. RODINO:

H.R. 14982. A bill to strengthen and improve the protections and interests of participants and beneficiaries of employee pension and welfare benefit plans; to the Committee on Education and Labor.

By Mr. SAYLOR:

H.R. 14983. A bill to amend the Internal Revenue Code of 1954 to encourage the use of recycled oil; to the Committee on Ways and Means.

By Mr. SCHEUER (for himself and Mr. RANGEL):

H.R. 14984. A bill to limit the term of office of the Director of the Federal Bureau of Investigation and to provide for Presidential appointment and Senate confirmation of the Director; to the Committee on the Judiciary.

By Mr. SIKES:

H.R. 14985. A bill establishing a commission to develop a realistic plan leading to the conquest of multiple sclerosis at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES (for himself, Mr. GRIFFIN, Mr. BEVILL, Mr. BRINKLEY, Mr. LANDRUM, Mr. FUQUA, Mr. MONTGOMERY, Mr. PEPPER, Mr. BENNETT, Mr. JONES of North Carolina, Mr. DAVIS of Georgia, Mr. NICHOLS, and Mr. PREYER of North Carolina):

H.R. 14986. A bill to amend the Soil Conservation and Domestic Allotment Act as amended, to provide for a South Atlantic Basin environmental conservation program; to the Committee on Agriculture.

By Mr. SISK:

H.R. 14987. A bill to create a National Bargaining Board, to provide standards for the qualification of associations of producers, to define the mutual obligation of handlers and associations of producers to negotiate regarding agricultural products produced or sold under contract, and for other purposes; to the Committee on Agriculture.

By Mr. ROONEY of New York:

H.R. 14989. A bill making appropriations for the Department of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1973, and for other purposes.

By Mr. CASEY of Texas:

H.J. Res. 1198. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as National Plumbing Industry Week; to the Committee on the Judiciary.

By Mr. DINGELL:

H.J. Res. 1199. Joint resolution providing for the designation of the fourth week of April of each year as Police Officers Wives Association Week; to the Committee on the Judiciary.

By Mr. HOWARD (for himself, Mr. BADILLO, Mr. BURKE of Massachusetts, Mr. DANIELSON, Mr. EDWARDS of California, Mr. EILBERG, Mr. WILLIAM D. FORD, Mr. FRENZEL, Mrs. HECKLER of Massachusetts, Mr. MAZZOLI, Mr. PODELL, Mr. SEIBERLING, and Mr. SYMINGTON):

H. J. Res. 1200. Joint resolution providing for the termination of hostilities in Indochina; to the Committee on Foreign Affairs.

By Mr. QUIE:

H. Con. Res. 612. Concurrent resolution to set a date for withdrawal from Vietnam; to the Committee on Foreign Affairs.

By Mr. TALCOTT:

H. Con. Res. 613. 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. DOW:

H. Res. 980. Resolution urging and requesting the President to give high priority to a discussion of the plight of Jews in the Soviet Union at his upcoming meeting with Soviet leaders; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, Mrs. ABZUG, Mr. BADILLO, Mr. BEGICH, Mr. BURTON, Mr. CURLIN, Mr. DRINAN, Mr. HELSTOSKI, Mr. LINK, Mr. MAZZOLI, Mr. METCALFE, Mr. MIKVA, Mr. REES, Mr. RANGEL, Mr. RIEGEL, and Mr. UDALL):

H. Res. 981. Resolution expressing the sense of the House of Representatives regarding the per page cost fixed by the Clerk of the House for the copying of Federal campaign fund reports and statements filed with the Clerk under title III of the Federal Election Campaign Act of 1971; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

390. By the SPEAKER. Memorial of the Senate of the Commonwealth of Massachusetts, relative to the war in Vietnam; to the Committee on Foreign Affairs.

391. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the Surface Transportation Act of 1971; to the Committee on Interstate and Foreign Commerce.

392. Also, memorial of the Legislature of the State of Iowa, ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ROYBAL introduced a bill (H.R. 14988) to authorize grants to the Deganawidah-Quetzalcoatl University; to the Committee on Education and Labor.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

228. By the SPEAKER: Petition of staff members of various Members of Congress and its committees, relative to the war in Vietnam; to the Committee on Foreign Affairs.

229. Also, petition of Robert H. Simmons, Washington, D.C., relative to establishment of a National Historical Museum Park, as proposed in H.R. 10311; to the Committee on House Administration.

230. Also, petition of Helen M. Grover, Baltimore, Md., relative to the condition of the Provident Hospital Mental Health Clinic in Baltimore; to the Committee on Interstate and Foreign Commerce.

231. Also, petition of Sergio P. Arizala, Cataingan, Masbate, Republic of the Philippines, relative to a claim of Candido P. Mendoza; to the Committee on the Judiciary.

232. Also, petition of B. W. "Swede" Davidson, San Luis Obispo, Calif., relative to redress of grievances; to the Committee on the Judiciary.

233. Also, petition of Albert J. Sullivan, Joliet, Ill., relative to redress of grievances; to the Committee on the Judiciary.

234. Also, petition of Richard Warren Bowman, Gratenford, Pa., relative to redress of grievances; to the Committee on the Judiciary.

235. Also, petition of James M. Williams, Minneapolis, Minn., et al., relative to impeachment proceedings; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

VOLUNTARY SUPPORT IS KEY TO ECONOMIC STABILIZATION PROGRAM

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1972

Mr. SMITH of New York. Mr. Speaker, as phase II of the President's economic plan for our country continues to be in effect, it is with great hopes that I harbor the goals of the Cost of Living Council in developing a sound economic stabilization program.

In a recent speech by Joseph E. Mullaney, General Counsel of the Cost of Living Council, before the Printing Industries of America, Mr. Mullaney cited the compliance and enforcement aspects as being the root of success of the economic program along with the support of the American people.

Mr. Speaker, for the benefit of my colleagues, I insert at this point the text of a news release on the speech made by Mr. Mullaney urging support for the Council's efforts by all parties involved:

SPEECH BY JOSEPH E. MULLANEY

WASHINGTON, D.C., April 19.—"The stabilization agencies are fully prepared and will vigorously enforce the Economic Stabilization Act and the regulations that have been issued to date," Joseph E. Mullaney, General Counsel of the Cost of Living Council said yesterday in a combined luncheon address to the Government Affairs Committee and the Wage Price Steering Committee of the Printing Industries of America at the Marriott Key Bridge Hotel in Washington, D.C.

The Printing Industries of America is the largest trade association in the graphic arts field with more than 8,000 member companies.

Mr. Mullaney gave his assessment of the effectiveness of the Administration's economic control program since its inception last August 15. He traced the purpose and results of the freeze and reported on the planning and options for Phase II, the present goals and existing structure, progress to date in compliance and enforcement, and possible future changes in the system.

Since the "future" comes fast in today's happenings, Mr. Mullaney underscored a current Council objective of real significance to printers, namely, the effort of the Council to achieve greater efficiency by relying more upon the voluntary and conscientious actions of those in the small business field to police themselves by competition and, at the same time, strive to adhere to the policies and regulations of the Pay Board and Price Commission. Mr. Mullaney assured his audience that any future decisions, now under consideration, to exempt small businesses from the formalities of the controls system will be realistic, equitable, and helpful both to the objectives of business and Government.

The chief legal officer for the Cost of Living Council focused his remarks primarily on the compliance and enforcement aspects of the program. "If the program is to succeed, it must have the support of the American people," and, Mullaney added, "there is considerable evidence that the program has that support. We are doing our best to earn it."

"Where violations are found, we now have the machinery in place to aggressively seek out violators and to move promptly and forcefully to see that the violations are corrected."

The Cost of Living Council, a Cabinet-level agency, was created by Executive Order on August 15, 1971, to develop and recommend to the President policies and procedures to maintain economic growth without inflationary increases in prices, rents, wages and salaries. It is charged with the primary responsibility for establishing broad goals for the Nation's Economic Stabilization Program.

General Counsel Mullaney cited a few specific examples of areas now receiving close scrutiny—areas being examined to determine whether violations may exist. These are: (a) Instances of voluntary rollbacks or adjustments where there have been willful violations, where they have had a significant economic impact, and where there is a likelihood that the incident will reoccur; (b) Instances where profit margin limitations have been exceeded over the base period. In this regard, action has already been taken against some firms and, it was made clear, will be taken against all others who do not observe this requirement; (c) Instances of potential violations involving large firms failing to observe the reporting requirements. This requirement is applicable to all firms with $50 million or more in sales and to all pay adjustments involving 1,000 or more employees; and (d) Instances involving the possibility of potential violations by retailers and wholesalers with respect to deviations from accepted customary markup practices.

After making it clear that the Government is getting tougher with willful violators of the stabilization program, with the necessary sanctions readily available for use, Mullaney, a magna cum laude graduate of both Holy Cross College and Harvard Law School concluded his remarks with the following appeal, "For those who have been harboring the thought that the Economic Stabilization Program was a dream that would be gone in the morning, I urge them to reconsider. For those who have been making price and pay decisions without consideration of the program, I urge them to educate themselves and their companies as to the impact of the program on those decisions."

VIRGINIA'S HIGHWAY SAFETY PROGRAM RANKS FIRST IN THE NATION

HON. WILLIAM B. SPONG, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, May 15, 1972

Mr. SPONG. Mr. President, it is a pleasure to announce to the Senate that Virginia ranks first in the country in the 1972 evaluation of State highway safety programs by the Department of Transportation.

Virginia scored 1,485 out of a possible 1,600 in the ratings, according to information provided by DOT and the Insurance Institute for Highway Safety. The Commonwealth achieved a perfect score in six of the 16 national highway safety program standards.

These include periodic motor vehicle inspection; motor vehicle registration; motor cycle safety; driver education; driver licensing; codes and laws; traffic courts; alcohol in relation to highway safety; identification and surveillance of accident locations; traffic records; emergency medical services; highway design, construction and maintenance; traffic lighting and control devices; pedestrian safety; police traffic services, and debris hazard control and cleanup.

This is the second consecutive year that Virginia's highway safety program has achieved this distinction, and I wish to commend the division of highway safety in the Governor's office, and the Virginia Department of Highways for their efforts and initiatives.

Mr. President, an April 26 news release of the Department of Transportation explains the program in considerable detail. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows: