

## FLEET AID CORP.'S NEW WARRANTY PROGRAM

## HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, January 6, 1973

Mr. PEYSER. Mr. Speaker, Mr. Irwin Tucker, president of the Fleet Aid Corp., of New York, has written to me to tell me of a new service warranty program to protect the consumer which I feel certainly should be brought to the attention of the Congress and the public with the idea that possibly more organizations will follow their lead in developing this type of program.

The letter follows:

FLEET AID CORP.,  
New York, N.Y., January 2, 1973.  
The Honorable PETER A. PEYSER,  
House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN: It is well known that you are extremely interested in consumer affairs. I would like to call your attention to a new program regarding automobile safety and warranty protection.

Automotive repair costs, as you may well know, have risen considerably in recent years. The quality and costs for such work leaves much to be desired. The Congress has already enacted legislation concerning automobile safety standards and I think that now is the time for the development of standards covering automotive repair work.

A step in this direction was recently taken by Fleet Aid Corporation, of New York, an independent automobile service and maintenance specialist. This organization has developed a unique, comprehensive maintenance and service warranty program which offers the consumer complete protection against the costliest type of automobile breakdown in new and used cars.

The Fleet Aid program includes a 12,000 mile or 12 month, whichever comes first, power train warranty program for buyers of new and used cars. The power train of an automobile includes the engine block, head and all internal parts, intake manifold, transmission in oil case and internal trans-

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mission parts, torque converter, drive shaft, universal joints, rear axle and differential.

This warranty program has already been introduced by Ford dealerships and has been proven successful in creating customer confidence in the purchase of 1973 models, as well as Ford produced used cars, the last four model years, which Ford dealers acquired as trade-ins or used for their lease and rental operations.

This warranty assures buyers that each automobile is thoroughly inspected, tested and in good running order before leaving the dealership. This same warranty program has been in effect for some time with Hertz and other rental companies covering all American made automobiles that are sold directly to the public.

This unique power train program is considered by many in the automotive industry as a major breakthrough in protecting the automobile buyer. In the past, used car buyers usually receive a 30 day warranty, from the date of purchase. Today, this Fleet Aid/Ford power train warranty commences after the manufacturer's warranty expires on the 1973 models. On used cars, this warranty program stays in effect for 12 months or 12,000 miles, up to 62,000 miles on the odometer, from the date of purchase.

Fleet Aid has developed an emergency road service option as part of their consumer protection program. Should a Ford customer's car breakdown, he can call the selling Ford dealer if the breakdown is in his general area. If not, he has a toll-free Fleet Aid telephone number to call and the dispatcher, who is on duty 24 hours a day seven days per week, will direct him to the nearest of the Fleet Aid 3,000 affiliated service stations and repair centers. The most important part of this emergency road service program is that a motorist will never be stranded, no matter what time of day or night they need help.

Fleet Aid Corporation has been in the automotive maintenance and service business for five years handling maintenance and service of automobiles which are leased and rented to the public by major fleet owners. Their activities, from Maine to Florida, from coast to coast, has generated many fine comments for their high quality of work and their standardization of repair costs no matter where a vehicle breaks down.

Cordially,

IRWIN TUCKER, President.

A BILL TO REDESIGNATE NOVEMBER 11 AS VETERANS DAY

## HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, January 6, 1973

Mr. PRICE of Texas. Mr. Speaker, I am today introducing legislation to redesignate the 11th day of November of each year as Veterans Day.

In 1968, the Congress changed the observance of several legal holidays, including the designation of the fourth Monday in October as Veterans Day, for the purpose of providing 3-day weekends for our citizens. However, while this action seems reasonable and justifiable in the observance of such holidays as Labor Day and Columbus Day, I believe we have erred in applying this concept to Veterans Day. Veterans Day, which was originally known as Armistice Day, marked the closing of World War I in 1918, and was set aside as a special day of thanksgiving and remembrance for the great sacrifices of our servicemen and women during that conflict.

After World War II, Veterans Day gained new significance as our Nation paid new respect and honor to the millions of Americans who stopped the tyranny which threatened to engulf the world.

Veterans Day is not just an ordinary holiday, an excuse to get away from it all. Let us recall what those who have served our Nation proudly in the Armed Forces of the United States have contributed to our lives and our freedom. As a veteran of the Korean war myself, I know that I share the sentiments of all those who have served to defend our Nation—Veterans Day is a day for pausing and remembering, and I hope that the Congress will see fit to enact my bill which would restore the unique purpose and observance of this day of thanksgiving that our Nation has withstood the test by fire in the crucible of war.

## HOUSE OF REPRESENTATIVES—Tuesday, January 9, 1973

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*He that would love life and see good days, let him keep his tongue from evil and his lips from speaking guile.—I Peter 3: 10.*

O God, our Father, who art the source of all our being and the goal of our nobler efforts, we thank Thee for this quiet moment when facing crucial issues, and carrying heavy responsibilities. We can turn away from things seen, give expression to our faith in the reality of the unseen and affirm once again—in Thee do we put our trust.

In the secret place of the Most High may we tap the spiritual resources which give to us strength of character, loyalty to high ideals, love for our country, and such courage that we may keep ourselves devoted to the right as Thou dost give us vision to see the right.

Bless our President, our Speaker, these representatives of our people, and all the citizens of our dear land. Let freedom ring from shore to shore, let justice rule, and good will reign in the hearts of all.

In the spirit of Christ we pray. Amen.

## THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

## MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Leonard, one of his secretaries.

## MESSAGE FROM THE SENATE

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

H.J. Res. 1. Joint resolution extending the time within which the President may transmit the budget message and the economic report to the Congress and extending the time within which the Joint Economic Committee shall file its report.

## SWEARING IN OF MEMBERS-ELECT

The SPEAKER. Will any Member-elect who has not been sworn come to the well of the House and take the oath of office.

Mrs. GRIFFITHS, of Michigan; Mr. WHALEN, of Ohio; and Mr. RUPPE, of Michigan, appeared at the bar of the House and took the oath of office.

## ADJOURNMENT OVER TO THURSDAY, JANUARY 11, 1973

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Thursday next.

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

There was no objection.

## BIRTHDAY WISHES FOR PRESIDENT NIXON

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

Mr. GERALD R. FORD. Mr. Speaker, I take this opportunity to remind the House that today is the birthday of President Nixon, and for myself and all of my colleagues I want to wish him a happy birthday. The President has attained what, in my view, is the vigorous and mature milestone of 60 years, and has spent most of his adult life in the service of our country, starting with World War II and his election in 1946 to the House of Representatives. His birthday is just another working day at the White House, and I do not believe he would want me to make any elaborate remarks on this occasion, but we do wish for our former colleague many happy returns of the day.

Mr. Speaker, I am under instruction from the 22 pupils of the first grade class of the Oakdale Christian School in my hometown of Grand Rapids, Mich., to deliver to the President a scrapbook of birthday greetings and pictures which they prepared as a class project. Their teacher, Mrs. Laura Bartleson, says that the project "generated so much enthusiasm in our classroom that our January blues just disappeared."

Before delivering them to President Nixon, I found that these delightful messages had the same cheering effect on me, and I would like to share them with my colleagues in the RECORD. Of course, you will miss the glorious living crayon color of the drawings and the careful penmanship, but I hope the printers will preserve the original spelling and punctuation.

I also hope that the reformers among us will not be critical of one of my young constituents who appears to have an early instinct for politics. He enclosed a \$1 bill with this message:

From Tom Knol. I puta dollar in. I voted for you. I am gladd that you wan.

The Oakdale Christian School first graders' messages follow:

Mr. Nixon your're rileey niss. Happy Happy Birthday twice. Paul Arde. I hope you rite agen. to are School.

Dear Mr president Nixon  
Happy Birthday

Happy Birthday Mr. President Nixon Did you Have a good trip to China?

Sin Todd.

Happy Birthday president Nixon. when you are haveing a picnic I hop the rain dusint spoyul it.

love TOM KNOL.

Happy Birthday happy Birthday to the President Nixon I hope you Nevr Dly from the wor if We evr Have one

NICKY.

Im' Bobby yff we have a dog and a cat and hope you have a Happy Birthday Mr. President Nixon

Happy Birthday Mr. President Nixon. I wish you Have a Happy Birthday

Love

SALLY.

Happy Birthday Mr. Nixon Do you like Birthday? How old are you? Are you going to invite your to girls?

LOVE JANE.

A Birthday is speshel even for a President. Happy Birthday Mr. President Nixon

Love RANA.

Happy Birthday Mr. President Nixon. I hope you have a Happy Birthday. My Name is Gayle. I hop you will rite me back because to Say if its Good.

I wish you a Happy Birthday Please rite me back we like to get male

TODD.

Happy Birthday Mr. President Nixon I hope they give you a day off.

Happy Birthday Mr. President Nixon and I lave you and we have a pictore in our room of you

from Andy  
Happy birthday  
Mr. president Nixon we hope you will have a good Birthday We will Pray for you

Happy Birthday Mr. President Nixon I Hope you have a Happy Birthday I Hope you have a Hoppy may day

PETER.

Happy Birthday Mr. president Nixon My name is Joel I hope that you will have a funne bunne birthday

Happy Birthday Mr. president Nixon Happy Birthday to you Dont Work on your Birth-day

BRENDA.

Happy Birthday Mr. President Nixon. You are nice. I like you. Are you going to have a cake?

TOM MYER.

Happy Birthday Mr. President Nixon to you from Amy V. Flowers are beautiful. What are your Birthday?

Happy Birth day Prdent Nixon I wish you a Happy Birth day  
Sined

DAVID KLOOSTER.

Happy Birthday Mr. President Nixon

LOIDA.

## THE NATIONAL HEALTH CARE SERVICES REORGANIZATION AND FINANCING ACT

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

Mr. ULLMAN. Mr. Speaker, I am submitting to the Congress today legislation titled the "National Health Care Services Reorganization and Financing Act." Its aim is to create a better health-care system for the Nation, and it is a new version of a bill I originally introduced in

the 92d Congress. The basic principles and philosophy of the bills are identical. The objectives—to reorient our system of health delivery and to bring into being a more equitable system of financing health services for all the population—remain unchanged.

During the past year, the imperatives and pressures for the enactment of such a measure have increased. Economic stringencies and governmental controls over the health-care industry, however temporary, have further revealed the gaps and inequities in the present system. For the sake of the immediate future and for generations to come, these serious problems must not be left unattended. I am personally persuaded, as a result of nearly 2 months of hearings on national health insurance in the Ways and Means Committee during the last Congress, and after months of weighing the provisions and implications of my own proposal, that the Congress can no longer postpone major decisions to assure the availability of health services to all persons in the United States.

I continue to regard my proposal, as I would any legislative proposal, to be an invitation to comment and thought, providing a direction and philosophy I firmly believe to be right. I trust that it will draw the attention and interest of the Congress, the health industry, and the general public. It contains an important new concept I introduced last year, an administrative entity known as the health care corporation or HCC. The HCC, as the coordinator of community health resources, could well be a prime technique of the new federalism that is emerging, and represents an exciting new concept of responsible localism. As a member of the Advisory Commission on Intergovernmental Relations, I have been deeply concerned with the strengthening of State and local resources in the administration of Federal programs.

In my opinion, the National Health Care Services Reorganization and Financing Act offers the most realistic solution to health care delivery, regulation and financing among the dozen or so that have been proposed. It is implementable now because the structure it defines is based on existing resources but with the guidelines and incentives for putting an end to the present fragmentation and duplication of services, their uneven distribution, and their lack of accessibility in many rural and urban areas. It provides for considerable expansion of outpatient services and their broader utilization.

None of the other proposals for national health insurance could fulfill this potential. Either they are attempts, such as the administration's, to resolve the serious problems of health services in a piecemeal fashion, or they would create a monolithic, bureaucratic system which in the end would be prohibitive in cost. Most do not interweave provisions for financing health care with incentives for restructuring the delivery of services. And some, worse still, would only perpetuate existing inadequacies and infuse more money into outmoded mechanisms.

As I emphasized last year, and continue to maintain, we need desperately

to pull it all together, to approach the development of a better health system anew, to resolve the problems of financing and delivery of services interrelatedly. If we fail to bring about this convergence, we will fail to better serve the public interest, and I believe that in the long run we will have wasted human, financial, and material resources.

I am impressed not only with mounting public concern over the cost and delivery of health services, but also with the sincere concern of health professionals and professional organizations. Many are striving for a more effective health services delivery system even though changes and controls would unquestionably impose complications on their activities.

The American Hospital Association has been most helpful in the realistic establishment of goals, concepts and methods, and has provided technical staff assistance in designing the total concept of a coordinated, equitably financed system. In recent months, that organization conducted a series of regional educational conferences for its members in order to fully discuss the provisions of the bill I introduced last year and the steps that would lead to its full implementation. Several modifications in the new version of the bill result directly from the suggestions made at those conferences.

The new bill departs from my earlier proposal in several other ways too. It calls for the consolidation of the major Federal health programs and the incorporation of medicare and medicaid within a program of national health insurance. It also provides for a new Department of Health, to be headed by a Secretary for Health responsible to the President. In addition, it includes greater detail and necessary technical information for changes in the financing of health services. It emphasizes the responsibility of the individual for his own health, but provides the framework for better health care and financing for everyone.

Certain principles of the bill I am introducing today deserve special mention, beginning with the recognition of health care as an inherent right of every person. Others, without order of priority, include the following:

Health services and the delivery system, as well as its financing, must be pluralistic, inclusive of both private and public sectors of the health field, and must be predicated on carefully designed Federal incentives and subsidies to assist and assure the cooperation of the various components of the health industry;

The rights of every individual to choose among providers of health services and underwriters of health insurance benefits must be preserved;

The same scope of comprehensive health benefits must be available to all;

The same high level of quality of care must be available to all; and

The Federal Government must assume responsibility for the cost of health care for first, the nonworking poor, second, the elderly, and third, to the extent needed to assure their capability to purchase services, the working poor, but with

assurances that the program does not create disincentives to productive employment.

Inherent in each of these principles, whether in terms of use of health services or payment for them, is the principle that every individual has a responsibility for the maintenance of his own health and, to the extent that he is able, to contribute to his share of the cost of care. There are numerous corollary principles, which I shall not describe here, such as those relating to the dignity of the individual, and the relationship of health and the environment.

The health care corporation which would be the coordinating unit of the system at the local level would provide a geographically based system for synthesizing and coordinating local health resources. These corporations would be built upon the existing delivery system, but with mandatory reorganization and reorientation to meet local needs, under the supervision of newly mandated State health commissions.

HCC's would be organized in a variety of ways, determined largely by community needs, custom, and precedent. They would grow out of the community, providing for citizen or consumer representation on their governing boards and being accountable to the public. It is expected that they would primarily be organized by health care providers—hospitals, doctors, dentists, as well as nursing homes and community health organizations—working with the community to establish a more effective, coordinated system.

Every HCC would have to provide, within a State plan administered by the State health commission and approved by the Secretary of the Department of Health, a comprehensive benefit program for all persons in its service area who wished to register. After the first 5 years of operation, it would be required to offer as an option to its registrants, services on a capitation basis of payment, or so much per person per year, a method of payment that requires providers of service to accept a direct responsibility for utilization and cost of services. Among its responsibilities, the HCC would be charged with encouraging the development and use of outpatient services, and for seeing that the most appropriate service would be provided for patients in the most effective, least costly way.

Every employer would be required to purchase for his employees and their families a comprehensive level of benefits as prescribed in the legislation and within regulations issued by the Secretary of Health, paying at least 75 percent of the premium costs. The employees would pay a maximum of 25 percent. For individuals and their families who registered with HCC's, the Federal Government would contribute 10 percent of premium costs.

Newly formed independent State health commissions, appointed by State Governors, would approve HCC's for operation and approve charges for service. These same commissions would develop State health plans subject to the approval of the Secretary; control the rates charged by health care providers and health insurance carriers; issue certifi-

cates of need and approve health service areas; and review and approve provider budgets. Thus State government would play a central role in the national program, obviating a large bureaucratic operation in Washington.

I should like to emphasize that the legislation provides for multiple sources of financing to assure a basic level of health care benefits for all persons, including catastrophic health insurance benefits. For persons unable to pay, in part or in full, the Federal Government would purchase the specified level of coverage established for all persons through general Federal revenues, with individual contributions scaled inversely to income levels and family size. Health services to the aged would continue to be financed through a combination of the social security tax mechanism and general Federal revenues. Since parts A and B of the medicare program would be merged, premium contributions by individuals for part B would be eliminated. Payroll financing, therefore, would be restricted approximately to its present levels, with additional costs paid through general Federal revenues.

In sum, this bill would meet the following objectives upon a 5-year implementation of the national program following congressional enactment:

All persons, regardless of age or income, would be entitled to the same broad package of benefits;

Everyone would be insured against the cost of catastrophic illness;

The Federal Government would pay for the health care costs of the poor and the elderly, and part of the costs for all others;

Special benefits for children up to age 12 would be provided—medical, dental, and eye care;

Outpatient care would be emphasized in order to relieve the burden of unnecessary use of costly inpatient care facilities;

Through the capitation method of payment for care, incentives for keeping costs down would be broadly introduced at the community level;

Health education programs, in support of the principle that the individual has a responsibility for the maintenance of his own health, would be available through health care corporations in every geographic service area in the national effort to raise health levels, increase knowledge about nutrition, and bring better understanding of the management of illness in the family.

How such a national program would affect American families is, of course, the most important question. Any legislative proposal can itemize what its author believes needs to be done, but this hardly assures that what is envisioned can take place. However, I believe that this legislation, since its objectives are based on existing resources and on developments in the delivery of health services already in the making, is totally realistic. Health care providers in recent decades have increasingly concerned themselves with how to contain costs yet at the same time keep pace with the numerous advances of medical science and strive for an increasing vol-

ume of services of higher quality. They have struggled, against steep odds, and without a coordinated national effort, to plan sensibly so that our legacy to coming generations will neither be a system inadequate to the needs nor one so uncoordinated as to be costly beyond bounds.

From the public's point of view there also are many problems to be faced, the foremost being the increasing cost of health care and the inaccessibility for many to needed services. The public generally finds it anomalous that in a Nation founded on democratic ideals and in which resources are plentiful, there continue to be serious gaps in health care. The public seeks a stronger voice in how health services should be provided. However, it is fair to say, recognizing the lack of a coordinated system is in large part to blame, that public awareness of health is far less than it could be and that a sizable educational program is needed if individuals are to avail themselves of health services in the most timely, effective, and consequently, most economical way. We have by no means put to use all of the health knowledge that is at hand, nor can we claim to have practiced what we know.

To conclude, I should like to summarize a few comments that I made to the Congress last year. First, I wish again to acknowledge the complexity of my proposal, but also to say that it must necessarily be so, for there is no simple solution to the Nation's health problems. Then I would like to draw attention to the legislation's provisions, following enactment, for a 5-year period for the development of State plans, the establishment of HCC's, and the establishment of a department of health. This would be a period of development and experimentation with the various organizational forms of health care corporations, time for the combining of parts A and B of medicare and the incorporation at the Federal level of medicaid.

The legislation I propose would coordinate our health services in a way that would bring improved health care for all. Its aim, immediate as well as long range, is the containment of health care costs and the removal of the real possibility that a family's resources can be totally depleted as a result of the cost of serious illness.

I believe that this bill is the most flexible of all of the major health proposals that you will be considering during this session. I trust that its flexibility will attract your interest and support, and, above all, your participation in its development.

The following is a section-by-section analysis of the bill:

#### SECTION-BY-SECTION ANALYSIS

To establish a new program of health care delivery and comprehensive health care benefits (including catastrophic coverage) to be available to aged persons and to the employed, the unemployed, and low income individuals at a cost related to their income.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act divided into titles, parts, and sections, may be cited as the "National Health Care Services Reorganization and Financing Act."

#### FINDINGS AND DECLARATION OF PURPOSE

Section 2(a) states that in recognizing health care as an inherent right of each individual and of all the people of the United States, and that in fulfilling this right each individual shares the responsibility for protecting his or her health and for obtaining care when required, Congress declares that health services must be so organized and financed as to make them readily available to all, without regard to race, creed, color, sex, or age, and without regard to any person's ability to pay; that health services must enhance the dignity of the individual and promote better community life; and that it is a function of government to see that these ends are attained.

(b) calls for reorganization of the methods of delivery, and methods of financing health services, these purposes to be accomplished through a nationwide system of independent Health Care Corporations embodying specific principles:

(1) each corporation must provide through its own resources, or through affiliations with qualified institutional and professional providers, five levels of comprehensive health care; health maintenance services, and primary, specialty, restorative and health-related custodial care;

(2) through a system of independent corporations, every individual would be provided an opportunity to register and, where possible, to have a choice of Health Care Corporations;

(3) Health Care Corporations should be locally established and operated, but subject to State regulation and to national standards of quality and scope of services.

This section also states that with Federal financial assistance in developing corporations and needed outpatient facilities, the system can become operative within five years after the enactment of legislation.

(c) states that in addition to its responsibilities cited above, the Federal government should include financial assistance to the public in obtaining the services of corporations, in accordance with these principles:

(1) the Federal government should require all employers to participate in the purchase of Comprehensive Health Care Benefits for their employees;

(2) the Federal government should purchase or subsidize health insurance for those unable to pay, or unable to pay in full;

(3) social insurance should continue to finance health care for the aged;

(4) to encourage participation by individuals in new health delivery and benefit programs, the Federal government should bear a part of the cost of services.

(d) provides that:

(1) in the fifth year following enactment, every person residing in the United States will be eligible to participate in the program;

(2) every individual will be entitled to the services established in the Act if he has registered with a Health Care Corporation and has obtained health benefit coverage from a qualified insurance carrier, or has had it provided on the basis of his income or age;

(3) coverage will be provided without cost to persons in the lowest income bracket and at reduced cost to persons in higher income brackets specified in this Act; and

(4) coverage will be provided through social insurance to those 65 and over.

#### DEFINITIONS

Section 3 defines the term "Comprehensive Health Care Benefits" as the benefits described in Title II part B; the term "State" as including the District of Columbia and Puerto Rico; the term "United States" (when used in a geographic sense) as meaning the 50 States, the District of Columbia, and Puerto Rico; the term "Governor" as including the Commissioner of the District of Columbia; and the term "Secretary" as the Secretary of Health.

#### TITLE I—REORGANIZATION OF NATIONAL HEALTH SERVICES

##### SHORT TITLE

Section 100. Title I may be cited as the "National Health Services Reorganization Act."

##### PART A—FEDERAL ADMINISTRATION ESTABLISHMENT OF DEPARTMENT OF HEALTH

Section 101 (a) establishes a new executive department to be known as the Department of Health hereafter referred to as the Department. Also provides for the appointment of a Secretary of Health, with the advise and consent of the Senate.

(b) establishes the position of Under Secretary to be appointed by the President with the advise and consent of the Senate.

(c) establishes seven Assistant Secretaries and a General Counsel, appointed by the President with the advise and consent of the Senate.

(d) establishes a Chief Medical Officer, appointed by the President with the advise and consent of the Senate. This appointment shall be without regard to political affiliation, and the term of appointment shall be for six years.

##### TRANSFERS TO SECRETARY AND CHIEF MEDICAL OFFICER

Section 102. (a) Except as provided in subsection (b), there are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare under the following laws and provisions of law:

(1) The Public Health Service Act.

(2) The Family Planning Services and Population Research Act of 1970.

(3) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

(4) Section 232 of the National Housing Act (relating to mortgage insurance for nursing homes).

(5) Title XI of the National Housing Act (relating to mortgage insurance for group practice facilities).

(6) The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

(7) Section 4 of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

(8) The Controlled Substances Act.

(9) The Act of August 5, 1954 (42 U.S.C. 2001-2004a) (relating to hospital and other health facilities for Indians).

(10) The Act of August 16, 1957 (42 U.S.C. 2005-2005f) (relating to community hospitals for Indians).

(11) Chapter 175 of title 28 of the United States Code (relating to civil commitment and rehabilitation of narcotic addicts).

(12) Chapter 314 of title 18 of the United States Code (relating to sentencing of narcotic addicts to commitment for treatment).

(13) Title III of the Narcotic Addicts Rehabilitation Act of 1966 (relating to civil commitment of persons not charged with any criminal offense) and section 602 of such Act.

(14) The Federal Cigarette Labeling and Advertising Act.

(15) The Federal Food, Drug, and Cosmetic Act.

(16) The Federal Hazardous Substances Act.

(17) The Poison Prevention Packaging Act of 1970.

(18) The Fair Packaging and Labeling Act.

(19) The Act of March 2, 1897 (21 U.S.C. 41-50) (relating to tea importation).

(20) The Act of March 4, 1923 (21 U.S.C. 61-64) (relating to filled milk).

(21) The Act of February 15, 1927 (21 U.S.C. 141-149) (relating to importation of milk).

(22) The Federal Caustic Poison Act.

(23) The Flammable Fabrics Act.

(24) The Federal Coal Mine Health and Safety Act of 1969 (other than title IV thereof).

(25) The District of Columbia Medical Facilities Construction Act of 1968.

(26) The Occupational Safety and Health Act of 1970.

(27) The Lead-Based Paint Poisoning Prevention Act.

(28) Titles XVIII, XIX, II, and V of the Social Security Act insofar as such titles relate to the provision of health care services.

(29) The District of Columbia Medical and Dental Manpower Act of 1970.

(30) The Drug Abuse Office and Treatment Act of 1972.

(b) The functions of the Secretary of Health, Education, and Welfare respecting

(1) the commissioned Regular Corps and Reserve Corps of the Public Health Service, (2) the administration of section 329 of the Public Health Service Act (relating to assignment of health personnel of the Public Health Service to critical need areas), and (3) the administration and operation of health care delivery facilities of the Public Health Service shall be exercised by the Chief Medical Officer under the supervision and direction of the Secretary of Health.

(c) Within 180 days, the President may transfer to the Secretary any other function if the Office of Management and Budget determines such functions relate to the above functions, or otherwise relates to health.

#### REDESIGNATION OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Section 103. (a) States that the Department, Secretary, Undersecretary, Assistant Secretaries, General Counsel, and Assistant Secretary for Administration of HEW, shall respectively be designated as Education and Welfare.

(b) Changes all references to Department of Health, Education, and Welfare in law, regulation, document, or other record shall be re-designated accordingly.

#### ADMINISTRATIVE PROVISIONS

Section 104. (a) The Secretary is authorized subject to title 5, U.S.C., to appoint such personnel as are necessary to carry out the functions of the Department of Health;

(b) Authorized by Section 3109 of title 5, U.S.C., to obtain services of individuals;

(c) Authorized to delegate and re-delegate functions;

(d) Authorizes OMB to transfer positions, property and authority;

(e) Personnel transferred under subsection (d) shall be without reduction in classification or compensation for 1 year;

(f) Provides that when all functions of any office or agency are transferred, such functions will lapse;

(g) Authorizes capital working fund for appropriations for operations of Department;

(h) Authorizes seal of office by Secretary;

(i) Authorizes any additional medical services, food surplus, mess facilities, motion picture supplies for recreation or training, and living quarters and facilities for remote postings.

(j) Authorizes Secretary to accept and hold gifts for facilitating work of Department;

(k) Authorizes Secretary to appoint such advisory committees as may be appropriate;

(l) Establishes contracting and publication authority for the Secretary.

#### ANNUAL REPORT

Section 105. Directs the Secretary to submit an annual report to the President for submission to Congress.

#### SAVINGS PROVISIONS

Section 106. Stipulates that all existing contracts, etc. prior to transfer of functions shall continue in effect.

#### CODIFICATION

Section 107. Directs Secretary to submit to Congress within 2 years a proposed codification of all laws which contain functions transferred to the Secretary.

#### DEFINITION

Section 108. Defines function as including power and duty.

#### CONFORMING AMENDMENTS

Section 109. Changes all code references to HEW and inserts appropriate references to Department of Health.

#### EFFECTIVE DATE: INITIAL APPOINTMENT OF OFFICERS

Section 110. Sets minimum of 90 days after enactment for effective date.

#### PART B—FEDERAL ADMINISTRATION OF HEALTH CARE PROGRAMS

##### FUNCTIONS AND RESPONSIBILITIES OF THE SECRETARY

Section 111 (a) charges the Secretary with responsibility for the planning, administration, operation, coordination, and evaluation of all health care programs under this Act.

(b) specifically charges the Secretary with responsibility for—

(1) continuous review of the activities of State Health Commissions;

(2) liaison with all Federal agencies administering health or health-related programs, and with private national accrediting and other agencies concerned with standards of care and qualifications of health personnel, including the approval and listing of certifying bodies;

(3) responsibility for annual reports, to be transmitted through the Secretary of HEW to the President, first to evaluate the progress of State plans and the development of Health Care Corporations, and thereafter, to evaluate the national program, including recommendations for legislation, if any;

(4) dissemination to State governments, providers of service, and the public, of all pertinent information about the national program; and to State governments, providers of service, and potential sponsors of Health Care Corporations, information concerning the organization and responsibilities of such corporations.

#### REGULATIONS OF THE SECRETARY

Section 112(a) authorizes the Secretary of Health to prescribe all further regulations that it considers necessary to implement this Act.

(b) further authorizes the Secretary to prescribe by regulation—

(1) uniform systems of accounting for Health Care Corporations;

(2) the method(s) to be used in determining the financial requirements of institutional health care providers, including operating and capital requirements, and for non-institutional providers, all reasonable fees, salaries, or other compensation for services;

(3) standards of quality and safety, such standards to require as a minimum that hospitals, extended care facilities, and home health agencies meet the applicable requirements contained in title XVIII of the Social Security Act, and that nursing homes meet such requirements as the Secretary finds appropriate;

(4) standards relating to the qualifications and use of paramedical personnel as assistants to physicians and dentists; and

(5) standards for the determination of qualified carriers under Section 232.

#### NATIONAL HEALTH SERVICES ADVISORY COUNCIL

Section 113(a) establishes a National Health Services Advisory Council, whose Chairman shall be the Secretary of Health, with 20 other members to be appointed by the Secretary.

Members of the Council shall include representatives of health care providers; not less than half of the members shall be representatives of consumers of health care services. Members are to be appointed for four-year staggered terms, with five members appointed each year.

Council members representing providers

shall be outstanding in fields related to medical, hospital, and health activities, or be representatives of organizations of professional health personnel. Consumer representatives shall not be engaged in or have financial interest in furnishing health services and shall be persons knowledgeable about health needs and the problems of providing health services.

(b) authorizes the Advisory Council to appoint professional or technical committees; and states that the Council, its members, and its committees may hire staff as authorized by the Secretary. The Council shall meet not less than four times each year and as often as the Secretary deems necessary.

(c) charges the Council with:

(1) advising the Secretary on general policy, and

(2) studying the activities of State Health Commissions, and Health Care Corporations, and other health care providers in order to recommend changes to the Secretary. The Council shall make an annual report to the Secretary which shall be transmitted to Congress with a report by the Secretary on any administrative recommendations of the Council that have not been followed. The Secretary shall report to Congress his views of the Council's recommendations for legislation.

(d) provides that the Council's members and members of its committees shall be compensated for their work at rates fixed by the Secretary but not more than the daily rate for grade GS-18 of the General Schedule; and that they will be reimbursed for travel expenses.

#### STUDIES OF DELIVERY AND FINANCING OF HEALTH CARE

Section 114(a) requires the Secretary of Health to make a continuing study of the operations under this title, including all of the aspects of services of health care providers, the effectiveness of supervision by State Health Commissions, and the financing of services through insurance. The Secretary further authorized to study alternative methods of furnishing and financing health care services, and methods of improving the delivery of health services.

(b) authorizes the Secretary to conduct the functions under this section through contract and to make grants to public or other nonprofit agencies for this purpose.

(c) requires the Secretary to publish the results of its studies from time to time.

#### UTILIZATION OF STATE AGENCIES

Section 115(a) authorizes and encourages HEW to make arrangements with State Health Commissions which will enable the commissions:

(1) to contract, as agent and in the name of the Department of Health, with the health insurance carriers approved by the Secretary; and

(2) to perform other functions that the Secretary may deem appropriate.

(b) requires the Department to pay State Health Commissions for their administrative costs pursuant to the arrangements above.

#### FEDERAL FINANCING RESPONSIBILITIES FOR HEALTH SERVICES

Section 116(a) amends (effective January 1 or July 1, whichever comes first, at least 6 months after the date of enactment of this Act) the Social Security Act to:

(1) make available to all persons eligible for Part A of Title XVIII also eligible for Part B of that Title, and to finance Part B contributions through appropriations from general Federal revenue.

(2) provide for annual appropriations by the Federal government for health insurance benefits that are equal to Title XVIII benefits (with no obligations for copayments or deductibles) for all those eligible under income class 1 as defined in Section 203(a)(1).

(3) provides that no premium or similar

amount shall be payable by any individual eligible for benefits under (1) and (2) above.

(b) provides that effective on the first day of the third full fiscal year that begins after this Act is enacted, the Federal government will make annual appropriations in behalf of the program outlined in Title II to meet the following estimated cost for the fiscal year:

(1) expansion of Title XVIII benefits to include Section 225 Catastrophic Expense Benefits for the Aged;

(2) prepaid coverage equivalent to Title XVIII benefits and Section 225 Catastrophic Expense Benefits for persons under 65 who are low income persons or members of low income families and the net cost, after deducting the contribution required of them of this coverage for persons who are under 65 who are medically indigent or members of medically indigent families; and

(3) the cost of providing a 10 per cent premium subsidy for those individuals in Income Class 5 under Section 202(c) who register with Health Care Corporations also provided are appropriations for additional costs incurred under this subsection.

(c) provides that effective on the first day of the fifth fiscal year that begins after the calendar year in which this act is enacted, the Federal government will make annual appropriations in behalf of the program outlined in Title II, to meet the following estimated costs for the fiscal year:

(1) prepaid coverage for Comprehensive Health Care Benefits for persons under 65 who are low-income persons or members of low-income families;

(2) the net cost, after deducting the contribution required of them, of such coverage for persons under 65 who are medically indigent or members of medically indigent families;

(3) the net cost, after deducting the contribution from the Title XVIII Part A trust fund, of such coverage for aged persons; and the added cost of those 65 and over who are either low-income persons or members of low-income families, or are medically indigent persons or members of medically indigent families;

(4) the cost of providing a 10 per cent premium subsidy for those individuals in Income Class 5 (as defined in Section 202(c)) who register with Health Care Corporations;

(5) the cost of establishing or maintaining a reserve of 5 per cent of the foregoing costs; and

(6) the cost of administration incurred by HEW in providing the coverages in (1), (2), and (3).

(d) states that the Secretary shall estimate the costs of (a) and (b) and make requests to Congress for necessary annual appropriations.

#### CONTRACTING AUTHORITY OF THE SECRETARY

Section 117(a)(1) states that the Secretary shall provide prepaid coverage, through contracts with carriers for the benefits to which individuals and their families (i.e., the aged, the low-income, and the medically indigent) are entitled under Section 203.

(2) permits the Secretary to establish qualifying standards for carriers in addition to those set forth in this part of the Act.

(b)(1) permits the Secretary to negotiate and enter into (A) contracts with a carrier or carriers to provide Comprehensive Health Care Benefits for all individuals in the abovementioned categories; (B) contracts with qualified carriers which have underwritten a prepayment plan for a Health Care Corporation operating wholly or primarily on a predetermined capitation charge basis; and (C) direct contracts with Health Care Corporations under Section 235 if the corporations operate on a predetermined capitation charge basis and as such qualify as carriers.

(2) permits the Secretary to authorize State Health Commissions to act as his agents in contracting with carriers described in (1).

(3) exempts contracts under this part from any provision of law requiring competitive bidding and from such other requirements of law as the Secretary may waive. It requires the Secretary, however, to communicate to all qualified carriers a description of the coverage he desires, the requirements and provisions of this title and regulations, and to invite these carriers to submit proposals. The paragraph lists some of the factors which the Secretary is to consider in negotiating contracts, such as the carriers' experience with group health insurance or prepayment plan coverage. It further provides that the Secretary may require the contracting carrier to reinsure with other carriers, and states that he shall enter into a contract with a combination of carriers only if this does not result in high premium rates and only if it best serves the purposes of this title. The term "combination of carriers" is defined.

#### FEDERAL RESPONSIBILITY FOR DEVELOPMENTAL GRANTS

Section 118(a) states it to be a responsibility of the Secretary to promote and assist the establishment, as soon as practicable, of the system of comprehensive health care delivery contemplated by this title, this to be accomplished through a variety of means of financial and technical assistance in the planning and development of Health Care Corporations, including the provision of incentives for use of the capitation method of payment for health care and the development and improvement of outpatient care centers, particularly in poverty and rural areas.

(b) authorizes the Secretary to recommend necessary appropriations for each fiscal year to carry out this responsibility.

#### AUTHORIZATION OF DEVELOPMENTAL FINANCIAL ASSISTANCE

Section 119(a) authorizes the Secretary to:

(1) make grants for planning, organizing, developing, and establishing Health Care Corporations, including their affiliation agreements with providers of health care;

(2) enter into contracts to pay all or part of the operating deficits of these corporations during their establishment or expansion;

(3) make grants to such corporations or their affiliated public or nonprofit providers for the initial operation of new outpatient care centers or new or expanded services in outpatient care centers; and

(4) make grants for major health maintenance, diagnostic, or therapeutic equipment, data processing systems or equipment, or central service equipment, needed for the initial operation of Health Care Corporations.

(b)(1) requires the Secretary, in making the above grants and/or contracts, to take into consideration existing health care resources and systems, and relative needs of States and areas within States; and requires the Secretary to make equitable distribution of such assistance.

(2) states that not more than 15 percent of the appropriations made for such grants or contracts may be spent in any one State.

(3) states that in awarding such contracts during the first five years for which funds have been appropriated, the Secretary shall give priority to corporations that (a) operate primarily on predetermined capitation charges, or (b) are in the process of converting primarily to that basis, or (c) agree to operate on or convert to primarily that basis if awarded such a contract. After the 5-year period, the Secretary may award contracts only to such corporations.

(4)(a) states that a grant or contract shall not be awarded when there is a State plan approved under this part of the Act, unless the State Health Commission has recommended approval of the application and has certified:

(1) in the case of start-up funds for a Health Care Corporation, that such a corporation is needed in the area involved, consonant with the State plan;

(2) in instances of a contract to meet for a reasonable period operating deficits of a Health Care Corporation, that the corporation applicant satisfies the definition of a Health Care Corporation and has been, or upon approval of the contract by the Secretary will be, approved by the commission;

(3) in the case of grants for the initial operation or equipping of outpatient care centers or for the expansion of such centers, or for major equipment, that the corporation satisfies the requirements referred to in paragraph (2) above, and that the outpatient care center or major equipment involved is needed for the effective discharge of the functions of the respective Health Care Corporation under the State plan.

(c) declares that in a state in which there is not yet an approved State plan but in which a State Health Commission and a State Advisory Council have been established, the Secretary shall not make a grant or contract under the foregoing sections unless the commission, the State planning agency, if any, and the appropriate areawide health planning agency (if it is different from the State planning agency) have had an opportunity to review and comment on the application. This paragraph also defines "appropriate areawide health planning agency" as that agency referred to in Section 314(b) of the Public Health Service Act or, if there is no such agency, another public or non-profit private agency or organization (if any) performing similar functions.

#### GRANTS FOR STATE PLANS

Section 120(a) authorizes the Secretary to make grants to State Health Commissions for all or part of the cost of developing State plans, including the expenses of State Advisory Councils, and the cost of dissemination of information about the proposed plan, and of public hearings.

(b) authorizes appropriations for grants under this section for each fiscal year in the period beginning with the fiscal year of enactment and ending with the close of the 3rd full fiscal year.

(c) requires the Secretary to pay to each State with an approved plan a percentage of the expenditures for the administration of the plan, beginning with 90 per cent during fiscal years ending before the effective date of the benefit program of this Act (Section 201 and 202), and diminishing to 85 per cent during the next two fiscal years and to 75 per cent thereafter. With respect to Federal functions as agent of the Secretary (see Section 124(b)(10)) the Federal percentage is fixed at 100.

#### FINANCIAL ASSISTANCE UNDER OTHER PROGRAMS

Section 121(a)(1) states that the Secretary shall, to the optimum extent, use other programs of financial assistance in the field of health care to promote the purposes of this Act.

(2) authorizes the Secretary, notwithstanding any other provision of law, to give highest priority to the needs of Health Care Corporations in the administration of such other programs, particularly in urban or rural poverty areas.

(b)(1) requires the Secretary to develop and disseminate informational materials about the availability of assistance under this part of the Act.

(2) states that the Secretary, on request, may provide advice, counsel, and technical assistance to Health Care Corporations and others named in this part in preparing applications and meeting requirements for grants and contracts.

#### PENALTIES FOR FRAUD

Section 122(a) provides for any individual, provider of health care, carrier or other person who knowingly or willingly makes or causes to be made any false statement or representation of a material fact in the application of any benefit or any grant or other payment under this Act or makes false state-

ments or fails to disclose or who willingly converts such benefit or payment to any other use or purpose shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$10,000 or imprisoned for not more than one year or both.

(b) provides a similar penalty for any provider of health care or other person who furnishes items or services to an individual for which payment is made under this Act for a kick-back or bribe or furnishing of such services or a rebate of any fee or charge.

(c) provides a \$2,000 fine or imprisonment for not more than 6 months or both for false statements or misrepresentations of a material fact with respect to the conditions or operation of any organization, institution, or facility in order that it may qualify as a carrier or provider of health care for purposes of this Act.

#### PART C—STATE FUNCTIONS

##### *General conditions of State participation*

Section 131 requires that in order for its residents to participate in the provision of Comprehensive Health Care Benefits that are financed or assisted by Federal funds, a State (1) must accept the provisions of this title and establish a newly-constituted and independent agency to carry out its provisions, this agency to be headed by a governing body to be known as the State Health Commission; (2) must establish a State Advisory Council; and (3) must have the Secretary's approval of a State plan submitted by the State Health Commission under section 124 for carrying out the State's responsibilities. (See also sec. 129, Federal Exercise of State Functions in Cases of Noncompliance by States.)

##### *State health commissions*

Section 132(a) establishes the following requirements, among others, for State Health Commissions: a membership of three or five commissioners (depending upon the State law establishing the commission) appointed by the governor, for staggered terms (renewable) of six years. Not more than two members of a three-member commission, nor more than three members of a five-member commission, shall be members of the same political party. The governor shall designate one of the members as chairman.

(b) lists the principal qualifications of and requirements for State health commissioners. It provides that commissioners should be chosen not primarily for their experience in health affairs, but for their ability to bring effective and objective policy direction to the commission's affairs, and it requires that (1) health professionals shall not constitute a majority of the membership of a State Commission; (2) commissioners shall serve full-time and not be engaged in any other business; (3) the chairman and the commissioners shall be salaried at levels comparable to those of heads of State executive departments; (4) commissioners may be subject to removal only for causes listed in this section; and (5) commissioners (and other officers or employees of the commission) may not hold any official or contractual relation with, or have any pecuniary interest in, any Health Care Corporation or provider of health care under the regulatory jurisdiction of the State Health Commission. This regulation is not to bar persons having such a relation or interest from serving as members of the State Advisory Council.

##### *State Advisory Council*

Sec. 133 states that members of the State Advisory Council shall consist of (1) persons broadly representative of providers of health care in the State, including but not limited to representatives of Health Care Corporations, other nongovernmental and public organizations, and representatives of schools and institutions concerned with education or training of persons in the health professions and ancillary occupations, and (2) not less than an equal number of persons repre-

sentative of consumers of health care who are neither providers nor have a financial interest in providing care, are familiar with the State's health care needs, and have knowledge of the problems of providing health care.

##### *State health care plans*

Sec. 134(a) states the requirements for State plans: (1) conformity with subsection (b) below; (2) submission of the plan in detail to the Secretary by the State Health Commission; (3) preparation of the plan in consultation with the State Advisory Council; and (4) in the case of submission of the initial plan to the Secretary, or of a submission for annual renewal of the Secretary's approval after major revision of the plan, prior reasonable opportunity to the public to express its views of the plan.

(b) itemizes the State plan requirements, including the following:

(1) designation of the State Health Commission as sole administrative agency for the plan;

(2) evidence of the Commission's authority to carry out the plan;

(3) provision for adequate consultation with the State Advisory Council;

(4) statement of qualifications for personnel responsible for administration of the plan;

(5) provision of methods for efficient administration, including personnel merit system standards consistent with those of the Civil Service Commission (but the Secretary shall have no authority with respect to the selection, tenure, and salary of individuals if employed in accordance with the merit system methods); and provision for utilization of qualified professional medical personnel and other professional personnel;

(6) provision for the designation of preferred service areas by applicant Health Care Corporations (in keeping with section 135); approval for each such area of one or more Health Care Corporations (in accordance with section 126); and inclusion of a program for the completion of these initial designations and approvals (including creation of governmental corporations if necessary to carry out the policy of this Act to provide every individual with an opportunity to register and, when possible, to have a choice of Health Care Corporations) as well as registration of eligible individuals with approved Health Care Corporations, not later than the end of the fourth fiscal year that begins after the calendar year in which the bill is enacted;

(7) provision for State arrangements to assure group coverage for Comprehensive Health Care Benefits at reasonable rates, for themselves or their employees, to all residents not entitled to HEW-purchased coverage, and for effective enforcement of these arrangements (subject to review by the Secretary with respect to enforcement of Federal regulations); and provision for regulation of the premium rates of carriers (except under contracts negotiated directly by the Secretary) by the State Health Commission or one to which it delegates that function or alternatively, by the State's insurance department; provision for other regulation and supervision of the carriers by the State Health Commission (including, for Comprehensive Health Care Benefits, a required standard provision for temporary continuation of coverage for the family in the event of the primary insured's death); and provision for hearings, before the Commission, on claims of Health Care Corporations against carriers, and for adjudicating such claims;

(8) provision for optimum use or adaptation of various Federally-aided programs developed for the State and at regional and local levels with respect to comprehensive health planning;

(9) provision that when requested by the Secretary the State Health Commission will, in behalf of the Secretary, contact with

qualified carriers for CHCB coverage (other than coverage negotiated and contracted directly by the Secretary) required to be financed by Federal purchase; act as fiscal agent of the Secretary in transactions with carriers;

furnish to the Secretary all information necessary for prospective estimates of government appropriations for implementation of this Act; and review and make recommendations with respect to applications for grants under Part A of this title or for other Federal aid administered by the Secretary;

(10) inclusion of a program whereby the State can cooperate with HEW in a nationwide system for the collection of health data;

(11) protection of individual registrants or applicants for registration through safeguards on the use or disclosure of identifying information collected under paragraph (10) above;

(12) evaluation, at least annually, of the effectiveness of the activities of the State Health Commission, of Health Care Corporations, and other health care providers;

(13) provision that the Commission will make reports of such evaluations of effectiveness, as well as such other reports as the Secretary may require; and

(14) provision that the Commission will review the State plan at least annually and submit modifications to the Secretary.

(c) requires the Secretary to approve a State plan meeting the above-stated requirements, except that the Secretary is directed not to approve a State plan if the plan or other State law, or the practice of a State licensure or regulatory authority—

(1) prevents or limits Health Care Corporations from providing services to registrants through the employment of licensed medical or other health care practitioners by the corporation or other nonprofit providers; or through group practice or other arrangements;

(2) deprives any Health Care Corporation of its rights to designate its preferred service area and of its right of appeal for change in such service area, in accordance with the provisions of this Act;

(3) disqualifies a physician from serving on the governing board of a Health Care Corporation or of an institutional provider thereof;

(4) prevents health care practitioners from employing or arranging with assistants under their supervision to perform health care functions for which they are trained; and

(5) prevents or limits carriers from offering coverage of health care provided in accordance with (1), (2), (3), or (4) above, unless the Secretary finds that the State prohibition or restriction is consistent with the purposes of this title.

(d) stipulates that, with certain minor exceptions, the approval of a State plan shall be for one calendar or one fiscal year, whichever the Secretary determines.

##### *Designation of health care areas*

Section 135(a) requires each State Health Commission to make a study and survey with a view to approval of service areas for applicant Health Care Corporations and establishes criteria to be considered for that purpose, including the following: size and distribution of population, and patterns of illness among population groups in various parts of the State; existing health care resources, their potential for sponsoring or participating in Health Care Corporations, and their distribution in relation to need for health care; local governmental structures; transportation; patterns of organization for the delivery of care and patterns of use; and requires the Commission, in that connection to set a date for initial applications of Health Care Corporations indicating their preferred service areas (or statements of intention by proposed sponsors of such corporations) to assist the Commission in its study.

(b) requires, in addition to (a), that the Commission consult representatives of the general public; of public and private health care institutions or their organizations; or medical and other health care profession (including representatives of group practice): of appropriate State and local government agencies; where appropriate, of State Health Commissions in adjoining States; and other interested groups and individuals.

(c) (1) obligates the Commission to publish, as part of the State plan, its survey findings and the designation of service areas for Health Care Corporations. The Commission is required to conduct public hearings on its proposal and thereupon to issue initial designations.

(2) states that the Commission may, in cooperation with another State, designate jointly a service area or areas that include parts of both States.

(d) permits subsequent amendment of a designated service area under subsection (c) either on the Commission's own initiative or on petition of Health Care Corporations or other concerned parties, but requires that final action on the amendment may be taken only after reasonable notice and opportunity for a fair hearing.

#### *Regulatory functions of State health commissions*

SEC. 136(a) requires that a State plan shall, in addition to requirements above—

(1) stimulate the organization of Health Care Corporations through every means available and provide for cooperative arrangements with other State commissions in jointly or reciprocally approving corporations to serve joint or adjoining service areas;

(2) provide for authorizing the incorporation (or admission into the State from another State) of Health Care Corporations, either through the Commission or other appropriate state agency;

(3) provide for the evaluation of the application of any corporation for approval to operate as a Health Care Corporation in a service area or areas approved by the Commission in accordance with Section 125, and describes the procedure for granting approval and issuing a certificate of approval for the service area or areas involved;

(4) provide that in areas, in whole or in part, where more than one Health Care Corporation has been approved the Commission may, if necessary, restrict the number of individuals to be registered by each corporation, residents to be accepted for registration within that number on a first-applied-first-accepted basis;

(5) limit the charges of approved Health Care Corporations and other licensed providers to charges and rates prospectively approved by the Commission; and require that services are not duplicative or excessive, that charges for physicians' service (such as radiologists and pathologists) which are generally available to all inpatients of an institution, be included as part of institutional service charges and not as separate physicians' charges (regardless of the method of payment to the physician), the purpose being to require no additional copayment from the patient for such services; require that the budgets of Health Care Corporations, and other institutional providers be prepared as prescribed by the Secretary; and provide that all providers are entitled to a fair hearing if it is dissatisfied with a decision of the Commission with respect to its charges;

(6) provide for effective enforcement, by the Commission, of the responsibility of Health Care Corporations and other licensed providers as defined in this Act, assuring that with respect to Health Care Corporations their services be of not less than the scope, quality, and comprehensiveness required by this title, including standards prescribed by the Secretary, and requirements for the provision of services by Health Care Corporations as prescribed in Sections 133 and 134 of this

title, and for other providers, requirements for the provision of services similar to those specified in Section 134 as defined by regulations;

(7) prohibit the construction of health care facilities, or changes in major services, or their establishment through rental of major equipment or existing structures, by Health Care Corporations or other providers except when authorized by the Commission on the basis of a finding of need;

(8) authorize the Commission to adjudicate controversies between corporations, affiliated providers, and non-affiliated providers.

(9) provide for a fair hearing, before the Commission, of any individual not accepted for registration by an approved Health Care Corporation of whose service area he claims to be a resident; or with respect to a monetary claim of at least \$100 by a registrant against a corporation or carrier; or to any individual who alleges that the corporation has failed to fulfill its obligations under this Act and that the failure is part of a pattern of conduct;

(10) provide for review and approval of peer review systems of approved Health Care Corporations and continued surveillance over their operations; and

(11) provide for implementation of comparable peer review systems for services performed by providers not affiliated with Health Care Corporations.

(b) recognizes that compliance with the procedures set forth in Sections 1863 through 1865 of the Social Security Act are to be employed in establishing compliance with this Act for Health Care Corporations and non-affiliated providers.

(c) (1) authorizes the Commission to take prompt corrective action whenever it determines that a Health Care Corporation has failed to fulfill all of its obligations; and states that the corporation is entitled to opportunity for a hearing with respect to the Commission's decision in this regard, the outcome subject to judicial review as provided by State law. However, initiation of a proceeding for judicial review shall not operate as a stay of the Commission's decision unless so ordered by the court.

(2) states that paragraph (c) (1) notwithstanding, the Commission may give its order immediate effect, subject to reversal or modification following judicial review, if it decides that a corporation's failure to function creates an imminent hazard to the health of its registrants.

(3) empowers the Commission, in addition to its authority for corrective action above, to revoke (following fair hearing) its certificate of approval for operation by the corporation in its service area and to approve for service in that area another Health Care Corporation or corporations, or, in lieu of this, to bring the delinquent corporation into compliance through appointment of a receiver or other effective means. The order of the Commission shall be subject to judicial review in a State court.

(d) authorizes the Commission to take corrective action whenever it determines that any provider not affiliated with a Health Care Corporation has failed to fulfill the obligations set forth in this Act, this action to include suspension of payment for services performed under Comprehensive Health Care Benefits. Appeals procedures outlined in (c) apply to this provision.

#### *Judicial review*

Section 137 (a) states that any State dissatisfied with the Secretary's action under section 128 (other than subsection (c) (3)) may obtain judicial review of the action, and establishes requirements for the petitioning of such review.

(b) provides that the findings of fact of the Secretary, if supported by substantial evidence, shall be conclusive on the court, but that the court, for good cause shown,

may remand the case to the Secretary to take further evidence.

(c) provides that the judgment of the court shall be final, subject to review by the Supreme Court, and that the commencement of proceedings under this section shall not, unless ordered by the court, operate as a stay of the Secretary's action.

#### *Federal exercise of State functions in cases of noncompliance by States*

Section 138(a) deals with the authority of HEW in the case of any State which has not established a State Health Commission in conformity with Section 122 and submitted an approvable State plan prior to the third fiscal year beginning after the calendar year of enactment of this Act. It grants authority to the Secretary in such an instance to appoint commissioners, hire staff, and assume all functions of a State commission in compliance with the provisions of this Act, and in that event to utilize for that purpose any Federal funds available for administration of State plans under the Act.

(b) Stipulates that the Secretary shall not refuse approval of a State plan without reasonable notice to the State and opportunity for hearings; and that, when an application for renewal of approval of the State plan is pending, the Secretary may temporarily postpone expiration of its last approval until it has come to a decision concerning renewal.

(c) (1) describes the instances under which the Secretary may withdraw approval of a State plan which, no longer complies with Section 124(c), and may withhold further payments (or may, in its discretion, suspend approval of parts of a plan and limit payments thereby), until it is satisfied that there will no longer be such a failure to comply.

(2) states that the Secretary may postpone action under (1) to allow necessary time for compliance.

(3) provides that in addition to or in lieu of taking action under (1) the Secretary may request the Attorney General to institute a civil action by the United States against the State to enforce the requirements of this part.

(4) permits the Secretary, when he has withdrawn approval of a State plan, to exercise the functions and use the funds referred to in subsection (a).

#### *Cooperative interstate activities and uniform laws*

Section 139(a) states that the Secretary shall:

(1) encourage and assist the States and their State Health Commissions with interstate agreements and approvals with respect to Health Care Corporations, including the establishment of joint health service areas; and

(2) shall assist in the development of model State legislation in the areas covered by this Act.

(b) provides for Congressional consent to any two or more States that wish to enter into agreements as cited above.

#### *Other administrative procedures*

Sec. 140 amends section 505(a)(2) of the Social Security Act to require that the State agency required to administer, or supervise the administration, of a State plan under title V of the Social Security Act be the "State Health Commission" (rather than the "State health agency") of the State (in the case of any State that is a participating State under Title I of the bill). (The amendment would not supersede the grandfather clause of section 505(a)(2) which allows the crippled children's service portion of a State plan to continue to be administered (or supervised) by a welfare agency in the case of a State which on July 1, 1967, provided for administration of its crippled children's service plan by that agency.)

## PART D—HEALTH CARE CORPORATIONS

## Incorporation and State approval

Sec. 141. (a) defines a Health Care Corporation as a nonprofit private or governmental corporation organized to furnish services (through its own resources or through affiliation with other providers, nonprofit or for-profit) to registrants, and to engage in education, research, and other activities related to the furnishing of personal health services. The section specifies that the governing board of the Health Care Corporation must have effective and equitable representation of the corporation's registrants and of its affiliated institutional and professional providers.

(b) requires that a Health Care Corporation must be found by the State Health Commission to satisfy the requirements in (a) above and must be approved by the Commission for service in a designated service area or areas of the State (in accordance with Sections 125 and 126) upon a finding that the corporation is well organized under professionally competent management, has adequate resources in facilities and personnel, and has given satisfactory assurance of financial responsibility.

## Registration with health care corporations

Section 142 (a) specifies that the corporation shall register all residents, within the designated service area for which it has been approved by the State Health Commission, who seek registration during a period of open registration; and that the corporation shall make reasonable effort to register those residents of the area who have failed to apply for registration.

(b) permits the Health Care Corporation to recruit and register persons outside of its designated service area if its quota of registrants has not been filled;

(c) states that, in accordance with regulations of the Secretary, a registrant may effect registration for his or her spouse and their children under 19;

(d) requires the corporation to disseminate to the public information about its operations and its services, including registration information in detail; that it must disseminate information about benefit coverages; assist individuals in establishing entitlement to coverage purchased by the Secretary and in obtaining other coverage;

(e) sets the registration period at 12 months; permits termination of registration with change in residence or for such cause as may be approved by the State Health Commission.

## Undertaking to furnish services

Section 143(a) states that the Health Care Corporation shall provide all of the services for which registrants have Comprehensive Health Care Benefits coverage and which are medically necessary (or, in the case of health maintenance services, medically appropriate).

(b) permits the corporation to contract for services through (an) affiliated provider(s)—hospital(s), extended care facility(ies), nursing home(s), or home health service agency(ies); physicians, dentists, podiatrists, or optometrists, or combinations of these, such as partnerships, clinics, or group practice organizations; or other kinds of providers designated in regulations. Providers may affiliate with more than one Health Care Corporation, but must designate one such affiliation as primary.

(c) permits the provision of drugs, devices, appliances and equipment to ambulatory patients, and ambulance and other emergency transportation services through providers not affiliated with the corporation; it states that medical and other services of a specialized nature, with permission of the State Health Commission, may be provided through arrangements with other Health Care Corporations or with providers that are not affiliated with the Health Care Corporation.

(d) emphasizes health maintenance (including health education) for all registrants, assurance of continuity of care, and to the greatest extent possible, the provision of care on an outpatient basis. Health maintenance services are to be periodically scheduled; outpatient services furnished in centers and in physicians' offices; emergency care, including ambulance service, to be available at all times.

(e) requires that a system of outpatient care centers be developed by the Health Care Corporation, these centers to provide health maintenance services and community-based services such as home care, medical social services, and well-baby clinics and mental health clinics. These centers are to be related to institutional and other providers in order to provide necessary laboratory and other diagnostic services and referral and transfer of patients to facilities providing more comprehensive services.

(f) stipulates that the Health Care Corporation must review services provided for registrants in time of emergency by other corporations or providers and, upon approving the charges, submit them to the carriers responsible for payment. Not included are payments for services rendered to registrants who leave their place of residence expressly to obtain health care, unless by arrangement with the corporation.

(g) stipulates that the corporation shall so far as practicable furnish necessary emergency health services to persons not registered with it and may furnish other services to such persons when it can do so without interference to service to its registrants.

## Quality of services

Section 144(a) fixes the responsibility on the Health Care Corporation for the quality of all health services it provides, or had provided in its behalf, including responsibility for compliance with standards of quality and comprehensiveness prescribed by the Secretary. The corporation is made responsible for maintaining controls on utilization of services; for continuing appraisal of the effectiveness of services; and for identifying problems that require planning for additional services. To these ends the corporation is required to have a system of comprehensive peer review by physicians (and dentists in the case of dental services) which covers all services provided by the corporation and its affiliates. The corporation is required to maintain a program of continuing education for its physicians, dentists and nurses.

(b) requires that all medical policies of the corporation be established with the advice of physicians and all dental policies with the advice of dentists; that all medical judgments must be made by or under the supervision of physicians, and dental judgments by or under the supervision of dentists.

(c) encourages participation of physicians in all aspects of policy formulation and operation of the Health Care Corporation.

## Participation of professional practitioners

Section 145(a) requires the corporation, so far as practicable, to provide opportunity to all practitioners in its approved service area (physicians, dentists, podiatrists, and optometrists) to furnish services in its behalf. The corporation is required to annually review the scope of services of each practitioner in accordance with his training, experience, and professional competence as determined through peer review. A practitioner must be able to enlarge the scope of his services through in-service training.

(b) stipulates that the corporation may not discriminate in selecting practitioners on any ground unrelated to professional qualifications, but may in initial recruitment give preference to local practitioners as between equally qualified persons.

(c) requires the corporation to permit each practitioner to select, consistent with the requirements for the corporation established by the Act, the form of practice in which he wishes to engage.

## Charges by health care corporations and other providers

Sec. 146(a) requires that charges made by a Health Care Corporation be made at rates fixed prospectively for 12-month periods and approved by the State Health Commission. These may be revised under circumstances that would create hardship, with Commission approval.

(b) states that charges shall consist of an annual capitation amount per registrant or registrant family, or of itemized charges for separate services or units of service. With approval of the Commission, the corporation may vary its methods of determining charges; capitation charges, except for variations based on size and composition of families, must be uniform for all registrants to whom they are applicable, other than registrants having coverage under government-purchased contracts. After three years of operation, the corporation must submit to the State Health Commission a plan to commence two years thereafter for offering capitation rates to its registrants who choose to purchase coverage directly from the corporation. This plan must be implemented by making this option to all registrants five years after the HCC's incorporation.

(c) specific that the corporation's charges shall meet its financial requirements as determined in accordance with regulations and with systems of accounting as prescribed by the Secretary. This section states that the corporation must justify to the Commission the rates it pays to affiliated providers, and must justify the budgets of any affiliated providers on which these rates are based. In cases where an affiliated provider contracts with more than one Health Care Corporation, the corporation with which it has a primary affiliation becomes responsible for the justification of budgets and rates.

(d) affirms that in reviewing budgets and rates the corporation and the Commission must assure that services are provided without unnecessary duplication and that services are not excessively costly.

## Continuing personal health records

Section 147(a) requires the maintenance by the Health Care Corporation of a personal health record for each registrant and states that these records must be readily available to the medical and other staff of the corporation and its affiliated providers, and that they must make it possible for the Commission to carry out its statistical responsibilities, including those related to the utilization and cost of health services.

(b) states that the corporation must be equipped to promptly transmit personal health records of registrants to appropriate providers.

(c) requires transfer of personal health records from corporation to corporation when registrants transfer; and transmission of information from personal health records to corporations and providers when they furnish emergency services to the registrant of a Health Care Corporation.

(d) restricts the disclosure of personal health information without consent of the registrant to purposes necessary to the administration of the corporation, the State plan, or benefit coverage and provides up to a \$1,000 penalty or one year of imprisonment or both for violation of this confidential information.

## Participation by registrants; health education

Section 148(a) requires corporations to establish methods by which registrants may express their views about the program and performance of the corporation and the health needs of the community, in addition to representation on the corporation's governing board; requires that such opportunity be available to groups of registrants (geographic, economic, or other), and to the extent practicable, to individual registrants; and that advisory committee representation

be afforded registrants in general, with subcommittees or separate committees formed for representatives of groups whose interests may differ from those of other registrants.

(b) requires that the corporation undertake a program of continuing health education for its registrants, with special emphasis directed toward low income and medically indigent registrants, affording representation to registrants in the formation of such a program. The section defines the scope of such a program and further requires collaborative efforts in community-wide health education with governmental and private agencies. It also requires the corporation, so far as practicable, to provide assistance to registrants in overcoming language or educational handicaps in obtaining access to health care.

#### NONDISCRIMINATION; COMPLAINTS

SEC. 149. (a) bars discrimination by the corporation in recruitment, registration, and in provision of services (subject to medically appropriate differentiations, or as specifically authorized in this title), on the ground of race, creed, color, national origin, age, sex, occupation, economic status, or condition of health.

(b) requires the establishment of complaint procedures for registrants or for persons whose applications for registration have been refused. Records of complaints and their disposition must be available for inspection by the Commission.

(c) requires the establishment of procedures for the settlement of disputes with affiliated providers and other providers with whom the corporation has made arrangements for services to its registrants.

#### Responsibilities for manpower and for research

Section 150(a) requires a corporation to coordinate determination of its manpower needs and those of its affiliated providers; coordinate recruitment and allocation of such personnel; and determine qualification and performance standards for such personnel, to be at least equal to standards of recognized professional organizations. Corporations are required to conduct in-service training programs and to encourage these among affiliated providers and to encourage the use of physician assistants and other ancillary personnel under professional supervision.

(b) states that the corporation shall engage in continuing research concerning the health services, and concerning their quality, effectiveness, and cost. Results of such research are to be available to the State Health Commission and the Secretary of HEW for their use.

#### Records and reports

Section 151 specifies that corporations shall keep records with respect to such areas as financing, utilization of services, and the results of peer review, and require that affiliated providers do the same, all such records to meet reporting requirements of the Commission, in accordance with regulations of the Secretary and to be available for inspection by the Commission.

#### PART E—SPECIAL STUDY OF METHODS FOR MEETING SUPPLEMENTAL CAPITAL NEEDS OF HEALTH CARE CORPORATIONS AND RELATED HEALTH CARE ORGANIZATIONS

##### Findings and purpose

Section 161 indicates that Congress finds a need for additional sources of supplemental capital and other funding in order to assure a more rational distribution of funds and meet the health care needs of the nation without undue cost to individuals in communities which have the greatest need.

Sec. 162. (a) requires that National Health Services Advisory Council to conduct a full and complete study and investigation of methods for supplying supplemental capital and other funding for Health Care Corporations and related health care organizations, with the objective of developing a national

program for supplying such funding, giving special emphasis to areas of high priority health care needs, both rural and urban.

(b) The Council shall give particular consideration in this study to developing a program which—

(1) establishes and utilizes, as its basic source of funds, a national trust fund consisting of either a designated portion of the premiums collected for Comprehensive Health Care Benefits Coverage, a tax on such premiums, appropriated funds, or amounts received from other sources, public or private;

(2) provides for the distribution of amounts in the trust fund to State Health Commissions in a manner reflecting population, per capita income, and health needs for allocation by the State Commissions;

(3) recognizes the need for adequate planning for health care services and facilities, and makes such planning a condition of assistance;

(4) encourages and facilitates the continuing provision of funds for these purposes from sources other than the trust fund, and effectively coordinates the utilization of the amounts provided from such other sources with the amounts distributed from the trust fund;

(c) Requires the Council to submit to the Secretary for transmission to the Congress within one year after the effective date of the Act, a full and complete report of its study together with findings and recommendations and with detailed specifications for any legislation which it finds may be required to carry out such recommendations. The Secretary shall include his own comments and views on the Council's recommendations in the transmission of the report to Congress. This study is independent of studies made by the Secretary in Section 114, and of the annual report of the Council under Section 113(c).

## TITLE II—FINANCING OF NATIONAL HEALTH SERVICES

### Short Title

Section 200. Title II may be cited as the "National Health Services Financing Act."

#### PART A—EMPLOYER REQUIREMENTS AND ENTITLEMENT TO BENEFITS

##### Employer benefit requirements

Section 201(a) amends the Social Security Act to require that employers have an approved health care plan for their employees (and their families). The new Section 230 of Title II of the Social Security Act:

(a) requires every employer within the meaning of this title to provide for each of his employees (and members of their families) coverage equivalent to Title XVIII benefits (both Parts A and B) and Section 225 Catastrophic Expense Benefits during the third and fourth full fiscal years after enactment and to provide Comprehensive Health Care Benefits coverage beginning on the first day of the fifth full fiscal year of enactment.

(b) lists the situations in which the provision of subsection (a) do not apply—

(1) (A) to any employer which is the United States, a state or political subdivision thereof (notwithstanding any agreement entered into in Section 218), or any agency or instrumentality of one or more of the foregoing or any other employer, all of the services performed for which are excused from employment by one or more of the numbered paragraphs of Section 210(a);

(B) in the case of individuals or members of the same families who have multiple employers, all of the employers except the employer paying the highest total taxes under Section 3111 (a) of the Internal Revenue Code of 1965;

(2) (A) with respect to an employee (or member of an employee's family) who is entitled to health insurance benefits under Title XVIII; or

(B) with respect to any medically indigent person or family which elects to obtain coverage under Section 107 (b) or (c).

(c) (1) provides that the Secretary shall pay to or on the behalf of an employer, whose average premiums payable for the health insurance required in subsection (a) an amount by which the premium payments exceed 4 per cent of the average wages paid by him to such employees multiplied by the number of such employees (not in excess of 10).

(2) provides for the prescription of regulations by the Secretary on the period for determining the number of employees of an employer, the wages of the employees, and the premiums payable under subsection (a), as well as the method for determining such wages (and the average thereof) in the cases in which the payment may be made to a payee other than the employer.

(3) provides that payments by the Secretary may be made in advance or by way of reimbursement at such times, in such manner, and in such installments as the Secretary shall deem to be appropriate.

(4) provides that the employer's contributions must be at least the actuarial equivalent of 75 per cent of the premium cost of benefits equivalent to the Medicare coverage during the third and fourth full fiscal years and of the premium cost of Comprehensive Health Care Benefits coverage beginning on the first day of the fifth full fiscal period. This requirement shall in no way prohibit an employee choosing to register with a Health Care Corporation operating in whole or in part on a capitation basis.

(5) stipulates that the period of coverage extends from the date of involuntary termination until the employee becomes eligible for unemployment compensation benefits or until the expiration of — days from such termination, whichever occurs first.

(b) amends Title IX of the Social Security Act by adding at the end thereof a new section which requires the Secretary of Labor in accordance with regulations prescribed in consultation with the Secretary of Health to purchase coverage as defined in subsection 201(a) for every individual who is receiving benefits under any federal or state unemployment compensation law for the individual and members of his family.

### ENTITLEMENT TO BENEFITS

Section 202(a) specifies that every individual who is a resident of the U.S., including the District of Columbia and Puerto Rico, is eligible for full or partial Federal contribution to the premium cost of qualified Comprehensive Health Care Benefits (CHCB).

(b) obligates the Secretary to contract with carriers for coverage in behalf of the aged, the low-income, and the medically indigent.

(c) allows all others who are eligible for the program, and those (other than the aged) who are eligible but choose not to enroll in an HEW-contracted plan, to obtain a Federal subsidy of 10 per cent of the premium cost incurred for the purchase of qualified CHCB, irrespective of the source of payment, if the individual (and his family) is registered with an approved Health Care Corporation or with any other similar organization that demonstrates it meets standards prescribed by the Secretary. If existing coverage is broader than CHCB, an actuarial equivalent of CHCB will be utilized to determine the amount of the subsidy.

(d) refers to definitions of the low-income and medically indigent income classes.

### INCOME CLASSES

Section 203(a) defines a low-income person or family as a single individual (i.e., one who is not a member of a "family" as defined) or a low-income family in income class 1; a medically indigent person or family as a single individual or family in income classes 2, 3, or 4; and the remainder of the population as falling in income class 5.

(b) establishes the following table of income classes for the above-defined categories:

TABLE OF INCOME CLASSES—I—FAMILY SIZE AND INCOME RANGES

Col. I	Col. II	Col. III
Income class	Single individual	Family of 2
1.	0 to \$2,000	0 to \$3,000
2.	\$2,001 to \$3,000	\$3,001 to \$4,500
3.	\$3,001 to \$4,500	\$4,501 to \$6,000
4.	\$4,501 to \$6,000	\$6,001 to \$7,500
5.	Above \$6,000	Above \$7,500

  

Col. I	Col. IV	Col. V
Income class	Family of 3	Family of 4 or more
1.	0 to \$4,500	0 to \$6,000
2.	\$4,501 to \$6,000	\$6,001 to \$7,500
3.	\$6,001 to \$7,500	\$7,501 to \$9,000
4.	\$7,501 to \$9,000	\$9,001 to \$10,500
5.	Above \$9,000	Above \$10,500

<sup>1</sup> These amounts are to be adjusted under sec. 204, according to increases in the Consumer Price Index.

#### PERIODIC REVISION OF INCOME CLASSES

Section 204 provides for an increase by the Secretary in the initially fixed dollar amounts of the income class tables, the premium contributions by the medically indigent, the copayments, and the catastrophic expense benefit expenditure limits, whenever in any calendar year the monthly average of the Consumer Price Index for the July-September quarter exceeds by 3 per cent or more the monthly average of the CPI for the corresponding quarter of the base year. The increase would be effective for any "coverage year" that begins in the next fiscal year of the United States. (A "coverage year" is defined by section 222 with respect to an individual, as a 12-month period of CHCB coverage of the individual under an insurance contract or prepayment plan that coincides with a 12-month (annually renewable) term of that contract or plan.)

#### DETERMINATION OF INCOME LEVEL

Section 205 (a) provides that for the purposes of this part the rate of an individual's (or family's) income shall be determined on the basis of his adjusted gross income (or the family's combined adjusted gross income), as defined in accordance with regulations prescribed by the Secretary in consultation with the Secretary of the Treasury, for the calendar year preceding the coverage year, except that the Secretary may by regulation exclude items of income that are not reasonably available for living expenses and include items that are reasonably available for living expenses although not included in adjusted gross income, and may by regulation provide for redetermination of an in-

dividual's or family's rate of income on a more current basis when necessary to prevent serious hardship or inequity.

(b) defines the term "family" as (1) a husband and wife and their dependent unmarried children under 19 or (2) an individual and his or her dependent unmarried children under 19, and defines the terms "child" and "dependent" (as applied to a child) as having the same meaning as in section 1512 of the Internal Revenue Code.

#### PREMIUM CONTRIBUTIONS FOR FEDERALLY CONTRACTED COVERAGE

Section 206(a) specifies the contributions to premiums for Federally-contracted CHCB coverage to be made by the individuals or families in the 3 income classes of the medically indigent (i.e., income classes 2, 3, and 4), with the amounts rising as income rises. (Section 203(b) contains the table of income classes.) The amounts of contributions initially are \$50 for a single individual and \$125 for a family in income class 2, \$100 and \$250 respectively in income class 3, and \$150 and \$375 in income class 4. In the case of a family in any such income class) in which there is only one member under 65, the contribution rate of a single individual applies. The amounts set initially by section 206 (a) (as well as the income ranges in the income class table) would be adjusted according to increases in the Consumer Price Index under section 204.

(b) requires that individual or family premium contributions by the medically indigent for Federally-contracted coverage be paid to the carrier in accordance with the Secretary's regulations and that there shall be no recourse against the United States in the event of delinquency or default in the payment of such contributions.

#### INCOME TAX DEDUCTIONS

Section 207 permits individual taxpayers to deduct 100 percent, without dollar limit, of the amounts paid by them as premiums for insurance contracts or prepayment plans approved by State Health Commissions for the actuarial equivalent of CHCB.

#### LIMITATION OF MEDICAID TO SUPPLEMENTATION OF UNIFORM HEALTH BENEFITS

Section 208(a) provides that, beginning with the effective date of part A of title II of this bill (creating entitlement to Comprehensive Health Care Benefits coverage), the State plan under Title XIX of the Social Security Act (of a participating State under title I of the bill) shall not be required to cover, and there shall be no Federal matching for expenditures for, services or items that are covered by Comprehensive Health Care Benefits and that are furnished to an individual who is entitled to such coverage under section 202 of the bill and who either is a resident of a service area of the State designated in accordance with section 125 or is in fact registered with a health care corporation that holds a certificate of approval for another service area.

(b) requires the Secretary to prescribe the minimum scope of services to be included

in a State plan under title XIX of the Social Security Act (instead of the requirements of section 1903(a)(13) of that Act) on and after the effective date of part A of title II of the bill, with a view to supplementing the coverage of Comprehensive Health Care Benefits.

#### PART B—CONTENT OF COMPREHENSIVE HEALTH CARE BENEFITS

##### Payment for comprehensive health care benefits

Section 221(a) stipulates that coverage for CHOB entitles the registrant to have payment made by his carrier to his HCC for all medically necessary or appropriate services and items at the HCC's approved predetermined charges. HCC's would receive the full amount of such charges from the carrier; the carrier would bill the registrant for the dollar amounts related to copayments, and certain non-covered services (with the residual risk of nonpayment accruing to the provider) as provided in part C of the bill. Special reference to HCC's operating on a capitation basis is made in Sec. 235.

(b) stipulates that payment for coverage for CHCB for an individual who has not registered with an HCC shall be made by his carrier at approved predetermined charges, less copayments applicable for the services provided.

##### Definition of comprehensive health care benefits

Section 222(a) describes Comprehensive Health Care Benefits as consisting of the following components: outpatient services; inpatient services; and catastrophic expense benefits. The Secretary is authorized to issue from time to time such further regulations to adjust the application of these benefits to best carry out the purposes of this Act.

In addition, this section defines, among other things, the terms coverage year, benefit period and regulations as they relate to CHCB.

(b) states in tabular form the actual benefits to be included in the CHCB package. Emphasis is on outpatient services, including a wide range of health maintenance benefits. Cost sharing (in addition to premium contributions by the medically indigent) would be achieved through copayments and a limitation on the number of inpatient institutional care days and outpatient physician visits. Copayments would be removed through the catastrophic expense provisions, once the covered individual or family reached the predetermined expenditure limit ceilings. Once the catastrophic expense provisions apply the limitations would be removed on the number of physician visits (except for mental illness in a non-HCC environment), the number of inpatient hospital care days (except for mental illness, alcoholism, and drug dependence in a non-HCC environment) and the number of days under outpatient institutional care programs for mental illness, alcoholism, and drug dependence.

#### TABLE OF COMPREHENSIVE HEALTH CARE BENEFITS

##### I—SERVICES AND ITEMS COVERED

###### A. Outpatient services

###### 1. Periodic Health Evaluation

a. Screening tests and examinations, as prescribed by regulations under section 226, followed by physical examination by a physician or physicians when indicated by the screening.

b. All Immunizations

c. Well-Baby Care (for infants under age 5)—

(I) during 1st 12 months following birth;

(II) during next 12 months;

(III) during next 3 years.

d. Dental Services

The following professional dental services, including drugs and supplies that are commonly furnished, without separate charge, as an incident to such professional services:

(I) Oral examination, including (I) prophylaxis (with fluorid

##### II—COPAYMENTS \* AND LIMITATIONS

No copayment.

Within such limits as may be prescribed by regulation under section 226.

No copayment and no limitation.

No copayment.

8 visits.

4 visits.

2 visits per coverage year.

Items d (I) and (II) in column I apply initially only to children born not more than 7 years before the effective date of this subpart. For those initially covered, the benefits extend through age 12.

No copayment.

## TABLE OF COMPREHENSIVE HEALTH CARE BENEFITS—Continued

## I—SERVICES AND ITEMS COVERED—continued

## II—COPAYMENTS\* AND LIMITATIONS—continued

application at appropriate ages), (II) dental x-rays, and (III) in accordance with regulations, other accepted preventive dental procedures.

(ii) To the extent prescribed by regulation under section 226 and not covered under (i), above, dental care other than orthodontia; but including, insofar as the Secretary finds that resources of facilities and personnel make practicable, routine extractions, dental fillings, and appropriate prosthetic appliances.

e. Vision Services (in accordance with regulations under section 226).

(i) Professional services in routine eye examination, including procedures performed (during the course of an eye examination) to determine the refractive state of the eyes and procedures for furnishing prosthetic lenses, provided either by an ophthalmologist or other physician skilled in diseases of the eye or by an optometrist (whichever the patient may select).

(ii) Eyeglasses, with prescription lenses, including the fitting thereof, and including lenses and frames as needed.

## 2. Physicians' Services and Ancillary Health Care.

Where not otherwise covered under this table—

a. Physicians' services (including radiotherapy) on an outpatient basis in any appropriate setting (including home calls), and services in any such setting under a physician's supervision by allied health personnel (as defined in regulations).

b. Diagnostic procedures on an outpatient basis (when not covered under subparagraph a.), including diagnostic tests, prescribed or ordered by a physician in connection with services referred to in paragraph a.

c. Hospital or outpatient-center services (not included above) rendered to outpatients and incidental to physicians' services covered under paragraph 1.

d. Supplies, materials, and use of facilities and equipment in connection with the foregoing services, including drugs administered or used as a part of services covered in paragraph 1, 2, or 3.

## e. Ambulance services.

## 3. Other Outpatient Services

a. Outpatient Institutional-Care Program for Mental Illness, Alcoholism, or Drug Abuse and Dependence.

Such day-care or other part-time services and other items as may be specified in regulations under section 226, furnished to patients, other than inpatients, under a program for the treatment of mental illness, alcoholism, or problems of drug abuse and drug dependence.

## b. Drugs, Prosthetic Devices, and Medical Equipment

(i) Drugs (other than those covered under paragraph A.1., A.2., or B.1. of this table) dispensed to patients other than inpatients.

(ii) Prosthetic devices (including hearing aids) prescribed by a physician and not otherwise covered in this table.

(iii) In accordance with regulations, durable medical equipment (not otherwise covered) as described in section 1861(s)(6) of the Social Security Act, certified by a physician as being medically required.

## c. Home Health Services.

Such items and services as are defined as "home health services" by section 228(d) and regulations thereunder.

## b. Inpatient services

## 1. Institutional Services

## a. Inpatient Hospital Care

Items and services defined by section 228(e) as "inpatient hospital care."

1 examination per coverage year.

Copayment 20% of charges.

For individuals through age 12.

No copayment.

1 visit per coverage year (including therein a follow-up verification of conformity of prescribed lenses with a prescription issued during the visit).

Copayment 20% of charges.

Initially, one set of eyeglasses (including frame and lenses); thereafter, only newly prescribed lenses (but not frames) as required (but not more often than once a coverage year) because of a change in the condition of the eyes. Standards to be established by regulations promulgated by the Secretary in accordance with section 226.

For physicians' services, a copayment for each visit of two dollars. Copayments under this paragraph for services in facilities involved in clauses c. and d. below apply only to services of attending physician.

Limited to 10 visits per coverage year. Except that, in accordance with regulations, no limit on the number of visits shall apply to services preceding or following inpatient care in cases (such as surgery or pregnancy and obstetrical care) in which a single combined approved charge is made by the provider for such outpatient and inpatient services.

20% copayment.

Copayment requirement waived for registrants of Health Care Corporations.

No separate limitation.

No separate copayment.

No separate limitation.

No separate copayment.

No separate limitation.

20% copayment.

Covered only when other methods of transportation are contra-indicated by the patient's condition, and only to the extent provided in regulations.

A two dollar copayment, per day, except that copayments may, by regulation, be waived for treatment of drug abuse and drug dependence. (No separate copayment for physicians' services applies under this subparagraph, whether or not such services are charged for separately.)

Limited to visits or sessions on 3 days under such a program in lieu of each day of inpatient hospital care allowable during a benefit period (under paragraph B.1.a. below) for the treatment of mental illness, alcoholism, or drug abuse or drug dependence.

For each drug prescription, and each refilling of such a prescription, a one dollar copayment.

Covered only if (1) the drug (whether or not it is subject to a prescription requirement under any law other than this title) has in fact been prescribed by a physician and is listed under its established name (as defined in section 502(e) of the Federal Food, Drug, and Cosmetic Act) in a list established for the purposes of this title by the Secretary under section 226(c), and (2) in the case of a drug listed under section 226(c)(2)(B), the disease or condition for which the drug has been prescribed is one for the treatment of which the drug is designated in that list as appropriate.

Copayment 20% of charges.

Covered only if listed in, and in accordance with, regulations under section 2206.

Copayment 20% of charges.

Covered only if listed in, and in accordance with regulations under section 226; and subject to criteria for payment prescribed under that section.

For each visit, a two dollar copayment.

Coverage of such services shall be limited to 100 visits per coverage year. The certification and recertification requirements of section 1835(a)(2) of the Social Security Act, with such modifications (if any) as the Secretary may by regulation prescribe, may be applied by the carrier.

A five dollar copayment, per day.

Coverage is limited to 90 days of inpatient hospital care received in any benefit period; except that for treatment of mental illness, alcoholism, and problems and conditions of drug abuse or drug

## b. Post-Hospital Extended Care

Extended care services (as defined in section 228(b)) furnished an individual after transfer from a hospital in which he was an in-patient for not less than 3 consecutive days. For the purpose of the preceding sentence, the second sentence of section 1881(i) of the Social Security Act shall apply.

## c. Nursing Home Care.

Nursing home care as defined in section 228.

## 2. Physicians' Services and Ancillary Health Care.

Those physicians' services to inpatients which are not included as "institutional services" under paragraph B.1. a., b., or c.

## C. Catastrophic expense benefits

Section 225 defines the conditions under which these benefits become effective in any coverage year with respect to any individual or family. To summarize: In the case of a low-income person or low-income family (class 1), these benefits are effective immediately. In the case of medically indigent persons or families (classes 2-4), they become effective when the person or family has incurred in a coverage year, for premium contribution, copayments, and certain other expenditures combined, a total expenditure equal to an amount determined by application of a table in section 225. In the case of individuals or families in income class 5, these benefits apply when a variable expenditure limit is reached, determined by taking 10% of the individual's or family's income. The dollar figures in the tables and the absolute expenditure limit may be adjusted by the Secretary on an annual basis, whenever the Consumer Price Index is more than 3% above the index for the base period (see sections 204 and 224).

\* The initial amounts of the dollar copayments are subject to changes in the Consumer Price Index as determined under sections 204 and 224.

The definition of institutional services for inpatients includes, for benefit purposes, physicians' services, such as those of radiologists and pathologists, which are held out as generally available to all inpatients of an institution, regardless of the method by which the Health Care Corporation compensates the physicians.

## Limitations and exclusions

Section 223(a) lists the limitations and exclusions, including the exclusion of services that are not medically necessary or appropriate; treatment of TB, mental illness, alcoholism, and drug dependence, when these illnesses are not in an acute phase; purely custodial care; cosmetic surgery (except for prompt repair of accidental injury or improvement of functioning of a malformed member of the body); and certain other services or items.

(b) excludes from CHCB services for which payment is made through workmen's compensation or motor vehicle insurance.

(c) excludes from CHCB (1) charges for items or services (other than emergency services) furnished by a Federal provider, except (under arrangements with the HCC) one that functions as a community institution, or (2) charges by providers for services required to be furnished at public expense by Federal law or contract with the Federal government.

(d) defines the difference between semi-private and private institutional accommodations and excludes carrier payment for charges in excess of the semi-private rate unless the more expensive accommodations were required for medical reasons.

(e) limits carrier payment to approved charges for covered services, or items where the provider has furnished to an individual services, or items in excess of or more expensive than those covered by CHCB. (However, part C permits the HCC, to the extent

authorized by the Secretary's regulations, to have the carrier make payment for non-covered services when billed by the provider, subject to refund if the individual does not reimburse the carrier.)

## Copayment provisions

Section 224(a) outlines the conditions under which copayments, when indicated in the benefit table, for services or items furnished by the HCC, become the obligation of the registrant for payment to his carrier, or in the instance of an individual not registered with an HCC, by the individual to the provider. Nominal copayments must be paid except by low-income persons or where the out-of-pocket expenditure ceiling has been reached and catastrophic benefits are in effect (see Table of Special Expenditure Limits).

(b) specifies the applicable dollar amounts and refers to the benefit table for the applicable percentage amounts, of copayments related to the various categories of benefits included in the CHCB package. The dollar amounts set initially by this section would be adjusted according to increases in the Consumer Price Index.

## Catastrophic expense benefits

Section 225(a) stipulates that all copayments would cease, and that except as noted under sec. 222(b) restrictions on the number of physicians' visits and inpatient hospital care days, and outpatient institutional care days under programs for mental illness, alcoholism, and drug dependence (except for extended care and nursing home care days) would become inapplicable when the catastrophic expense benefits provision is in effect.

(b) describes the conditions under which catastrophic expense benefits would take effect. These benefits would be instituted automatically for the low-income persons and families (i.e., those in income class 1), so that no out-of-pocket expenditures would be

dependence the limit is 45 days. (The limitation on treatment of mental illness, alcoholism, and problems and conditions of drug

abuse or drug dependence is 90 days of inpatient hospital care for registrants of Health Care Corporations.)

A two-dollar-and-fifty-cent copayment, per day.

Limited to 30 days of such care received in any benefit period.

A two-dollar-and-fifty-cent copayment, per day.

Coverage shall be limited to 90 days of such care received in any benefit period.

A two dollar copayment, per visit, of the attending physician only. In accordance with regulations under section 226, in the case of services (such as surgery or pregnancy and obstetrician care) in which a single charge is made by the corporation for the attending physicians' services combined with any preceding or following outpatient services related thereto, a copayment of 10% of such combined charges shall apply. Copayments for physicians' services under this paragraph are in addition to the daily copayments for institutional care.

No separate limitations.

For elimination of certain limits on coverage for Physicians' Services and Inpatient Hospital Services when Catastrophic Expense Benefits take effect in a coverage year, see section 225.

required to be incurred for this group. As income rises above that category, individuals or families would be required to incur an increasing amount of out-of-pocket expenditures before catastrophic expense benefits take effect, with the actual amounts specified in the Special Expenditure Limit Table.

## SPECIAL EXPENDITURE LIMIT TABLE

Income class	Expenditure limit under 65	Expenditure limit 65 and over
2-----	\$250	\$125
3-----	500	250
4-----	750	375

The dollar amounts initially set for the expenditure limit table would be adjusted according to increases in the Consumer Price Index. For individuals or families in income class 5, the special expenditure limit varies according to level of income, with the exact limit set at 10 percent of income as defined by regulations.

Expenditures creditable toward this ceiling include (1) premiums for CHCB coverage (whether paid by the individual or in his behalf by an employer), (2) copayments related to covered services (including a three-month carry over provision) and (3) expenditures for covered services rendered beyond the specified limits on physician visits (excluding mental illness), on inpatient hospital care days, and on outpatient institutional care days under programs for mental illness, alcoholism, or drug dependence.

## Regulations for comprehensive health care benefits

Section 226(a) calls for the issuance of regulations by the Secretary to implement the benefit table, in addition to regulations

and standards required in other sections of the bill.

(b) provides guidelines for the Secretary in developing regulations relating to health maintenance benefits, in particular, specification of the services that the Secretary may wish to require in the periodic health evaluation portion of CHCB. Special attention through the development of regulations is also given to dental services and vision services, under the expectation that the Secretary shall prescribe the scope of benefits for these services, and allow for future increases, based on the availability of resources.

(c) provides guidance to the Secretary in other key areas of CHCB, including the establishment of the national categories of drugs for outpatient care. The Secretary is directed to list those categories which he finds to be necessary for the treatment of diseases or conditions requiring drug therapy of such duration and cost as commonly to impose substantial financial hardship, and also list the diseases for which drugs are required for treatment, diseases deemed by the Secretary of special importance to the public health, e.g. VD. With respect to the latter drug categories, ambulatory benefits extend only to categories of drugs for diseases or conditions thus listed with respect to it. This section also requires the Secretary to develop special regulations and standards relating to CHCB categories of "prosthetic devices and medical appliances" and to the special outpatient institutional care programs related to the treatment of mental illness, alcoholism and drug dependence.

#### Phasing of benefits

Section 227 requires the Secretary to submit recommendations for the expansion of benefits after the first five years of the program and to give special consideration to the expansion of dental and vision service benefits.

#### Other definitions

Section 228 defines the terms "drug", "extended care services", "using home care", "health-related custodial care", "home health services", "inpatient hospital care", "physician" (by cross reference to section 1861(r) of the Social Security Act), "physicians' services", and "attending physicians". These terms all occur in the benefit table, except for "health-related custodial care" which is referred to in section 223.

#### PART C—CARRIERS FOR COMPREHENSIVE HEALTH CARE BENEFITS

##### Definition of "Carrier"

Section 231 broadly defines carriers as non-governmental organizations that underwrite insurance for the cost of health care, or provide health benefit plans of the service type, in consideration of predetermined premiums. Approved Health Care Corporations qualify under the definition if they charge for covered health care on an annually predetermined capitation basis in accordance with section 136(b).

##### Determination of qualified carrier

Section 232 establishes qualifications for carriers, essentially that they must be authorized in each State for whose residents they operate health benefit prepayment plans or insurance at group rates, must comply with Section 233, must meet any special Federal standards in the case of a contract with Health and must, with respect to coverage (under other contracts) for which a Federal premium contribution is requested, accord to Department of Health, Education, and Welfare and its agents the same informational rights and access to records that Department of Health, Education, and Welfare is entitled to in the case of coverage purchased by the Secretary.

#### Requirement that carriers participate under State plan

Section 233 requires that a carrier agree to participate in a coverage pool if so required (in accordance with provisions of a State plan pursuant to Section 124(b)(7)) in order to qualify for a contract with Department of Health, Education, and Welfare or for issuance of CHCB coverage eligible for a federal premium subsidy under Section 202(c).

#### Conditions of approval of carrier contracts or plans for Federal premium subsidy

Section 234 provides that the Secretary shall for the purpose of the Federal premium subsidy under Section 202(c) approve a carrier prepayment plan or contract only if it is in conformity with applicable State standards and regulations and contains payment provisions and protective provisions (specified in Section 124(b)(7)) similar to those provided for in Section 108 for Department of Health, Education, and Welfare contracts with carriers.

#### Contracts with health care corporations on capitation basis

Section 235 makes it possible for HEW to enter into a contract with a Health Care Corporation that operates on the basis of predetermined capitation charges to provide Comprehensive Health Care Benefits to which registrants are entitled under Section 202(b). The copayment component of the corporation's capitation charges or any separate copayments charged for by the corporation, would not be paid by the Secretary but collected by the corporation directly from the registrant. This section makes the same requirement of corporations with respect to records and notification of registrants as Section 108 imposes on carriers. Corporations are also required to establish record and payment centers and to issue identical membership cards to all of their registrants to prevent discrimination on account of economic status at the point of service.

#### Effect of nonpayment

Section 236(a) sets forth requirements for premium contributions and special premiums to be paid in advance to carriers by or on behalf of individuals.

(b) contains provisions for termination of benefit coverage (subject to a grace period) in the event of nonpayment with respect to the above.

#### Enrollment under contracts with carriers

Section 237(a) vests authority in the Secretary to establish regulations for the enrollment of registrants entitled to Department of Health-purchased Comprehensive Health Care Benefits.

(b) limits the types of enrollment to enrollment by a registrant for himself only or for himself and his spouse and other registrants who are members of his family. The conditions for change in type of enrollment are left to regulations. The individual enrolling for himself and his family is held liable for premium contributions related to family coverage.

(c) specifies that to the optimum extent open enrollment periods under this section and open registration periods for Health Care Corporations shall be coordinated, and that a corporation's registration center shall provide information concerning enrollment.

#### Reports by, and audits of, carriers

Section 238 states that contracts shall require carriers to make such reports as the Secretary finds necessary, to keep essential records, and to assure the correctness and verification of its reports.

#### Jurisdiction of courts

Section 239 invests district courts with original jurisdiction, concurrent with the Court of Claims, of a civil action or claim

against the United States concerning this part of the Act.

#### Prospective regulations

Section 240 specifies that contract regulations, or amendments thereto, or to this title, shall not apply until the next contract year if their applications would increase the obligations or adversely affect the rights of a contracting carrier unless made applicable by the contract itself or by amendment thereto.

#### TITLE III—EFFECTIVE DATES

##### TRANSITIONAL EFFECTIVE DATES

Section 301(a) except as otherwise provided in this section and in section 302 (including any amendments made by it to existing law) shall be effective upon the date of the enactment of this Act.

(b) sections 101, 102, 107(a), 109, 110, 111, and 112 and parts B and C of Title I shall take effect upon the first January 1 or July 1 which occurs 6 months or more after the date of enactment of this Act.

(c) Section 107(b), 128 (with respect to States which have not complied with Sections 122 and 124), and the amendments made by Section 201 shall take effect on the first day of the third fiscal year which begins after the date of enactment of this Act.

#### FULL OPERATION OF PROGRAM

Section 302. The program under this Act shall be fully in operation, and the benefits of part B of Title II shall be fully effective and available (in lieu of any benefits which would otherwise be available under Title XVIII of the Social Security Act), in accordance with all the provisions of this Act, on and after the first day of the fifth fiscal year which begins after the date of enactment of this Act.

#### H.R. 1

A bill to establish a new program of health care delivery and comprehensive health care benefits (including catastrophic coverage), to be available to aged persons, and to employed, unemployed, and low-income individuals, at a cost related to their income.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into titles, parts, and sections in accordance with the following table of contents, may be cited as the "National Health Care Services Reorganization and Financing Act".*

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**FINDINGS AND DECLARATION OF PURPOSE**

Sec. 2. (a) Recognizing that health care is an inherent right of each individual and of all the people of the United States, and that in fulfilling this right each individual shares the responsibility for protecting his or her own health and, for obtaining health care when required, the Congress finds and declares that health services must be so organized and financed as to make them readily available to all, without regard to race, creed, color, sex, or age, and without regard to any person's ability to pay; that the services must be so provided as to enhance the dignity of the individual and promote better life for all; and that it is a function of Government to assure that these ends are attained.

(b) The Congress finds that achievement of these purposes requires substantial modification of the organization and methods of delivery of health services and the methods of financing them, and that these purposes will best be served by the creation of a nationwide system of independent Health Care Corporations embodying the principles—

(1) that each corporation should combine, either in its own structure or by affiliation, institutions and professionals qualified to furnish the entire range of health services, and should provide to its registrants an integrated and comprehensive program of health services, emphasizing preventive and outpatient care and embracing health maintenance services, primary care, specialty care, rehabilitative care, and health-related custodial care;

(2) that such independent corporations should span the Nation, so that every resident of the country will have the opportunity to register with a corporation and, where practicable, a choice among corporations; and

(3) that such corporations should be locally established and operated, but should be subject to State regulation and to national standards of quality and scope of services; and the Congress finds that, with financial assistance by the Federal Government in the development of Health Care Corporations and the creation of needed outpatient facilities, such a system can become operative nationwide within five years after the enactment of this Act.

(c) The Congress further finds that, in addition to stimulating and assisting the creation of Health Care Corporations and the establishment of State Health Commissions, and setting nationwide standards for the operation of Health Care Corporations, the functions of the Federal Government, exercised primarily through a new Department of Health established to deal exclusively with health and related matters, should include financial assistance to members of the public in obtaining the services of such corporations, in accordance with the principles—

(1) that the Federal Government should require all employers to participate in the purchase of Comprehensive Health Care Benefits for their employees;

(2) that the Federal Government should

assume the cost of purchasing or subsidizing health insurance for those unable to pay for it, or unable to pay in full;

(3) that social insurance should continue to finance hospital care for the aged and that general revenues be used to fully finance medical care; and

(4) that to encourage participation by individuals in new health delivery and benefit programs the Federal Government should bear a part of the cost of services.

(d) Pursuant to the foregoing findings, and to carry out the foregoing declarations, the Congress by the enactment of this Act declares and provides—

(1) that all persons residing in the United States will be eligible to participate in the program created by this Act, beginning in the fifth year after its enactment;

(2) that each person so participating will be entitled to receive from a Health Care Corporation services as described in this title, if he has registered with the corporation and has obtained a qualified health benefit coverage from a carrier, or on the basis of his income or his age has been provided with such a coverage;

(3) that such coverage will be provided through a Government contribution without cost to persons in the lowest income bracket and at reduced cost to persons in the other income brackets specified in this title; and

(4) that such coverage will be provided through social insurance and general revenues to persons who have attained the age of 65.

**DEFINITIONS**

Sec. 3. For the purposes of this title—

(1) the term "Comprehensive Health Care Benefits" means the benefits described in part B of title II;

(2) the term "State" includes the District of Columbia and the Commonwealth of Puerto Rico;

(3) the term "United States", when used in a geographical sense, means the fifty States, the District of Columbia, and the Commonwealth of Puerto Rico;

(4) the term "Governor" includes the Commissioner of the District of Columbia; and

(5) the term "Secretary" means the Secretary of Health.

**TITLE I—REORGANIZATION OF NATIONAL HEALTH SERVICES****SHORT TITLE**

Sec. 100. This title may be cited as the "National Health Care Services Reorganization Act".

**PART A—DEPARTMENT OF HEALTH ESTABLISHMENT OF DEPARTMENT**

Sec. 101. (a) There is established at the seat of government an executive department to be known as the Department of Health (hereinafter in this Act referred to as the "Department"). There shall be at the head of the Department a Secretary of Health (hereinafter in this Act referred to as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Department an Under Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary (or, during the absence or disability of the Under Secretary, or in the event of a vacancy in the office of Under Secretary, an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of, the Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary shall perform such functions as the Secretary shall prescribe from time to time.

(c) There shall be in the Department seven Assistant Secretaries and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall perform such functions

as the Secretary shall prescribe from time to time.

(d) There shall be in the Department a Chief Medical Officer who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. The term of office of the Chief Medical Officer shall be six years, except that an individual serving as Chief Medical Officer may upon the expiration of his term of office continue to serve until his successor shall have been appointed and qualified.

TRANSFERS TO SECRETARY AND CHIEF MEDICAL OFFICER

SEC. 102. (a) Except as provided in subsection (b), there are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare under the following laws and provisions of law:

(1) The Public Health Service Act.  
(2) The Family Planning Services and Population Research Act of 1970.  
(3) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

(4) Section 232 of the National Housing Act (relating to mortgage insurance for nursing homes).

(5) Title XI of the National Housing Act (relating to mortgage insurance for group practice facilities).

(6) The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

(7) Section 4 of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

(8) The Controlled Substances Act.  
(9) The Act of August 5, 1964 (42 U.S.C. 2001-2004a) (relating to hospital and other health facilities for Indians).

(10) The Act of August 16, 1957 (42 U.S.C. 2005-2005f) (relating to community hospitals for Indians).

(11) Chapter 175 of title 28 of the United States Code (relating to civil commitment and rehabilitation of narcotic addicts).

(12) Chapter 314 of title 18 of the United States Code (relating to sentencing of narcotic addicts to commitment for treatment).

(13) Title III of the Narcotic Addicts Rehabilitation Act of 1966 (relating to civil commitment of persons not charged with any criminal offense) and section 602 of such Act.

(14) The Federal Cigarette Labeling and Advertising Act.

(15) The Federal Food, Drug, and Cosmetic Act.

(16) The Federal Hazardous Substances Act.

(17) The Poison Prevention Packaging Act of 1970.

(18) The Fair Packaging and Labeling Act.

(19) The Act of March 2, 1897 (21 U.S.C. 41-50) (relating to tea importation).

(20) The Act of March 4, 1923 (21 U.S.C. 61-64) (relating to filled milk).

(21) The Act of February 15, 1927 (21 U.S.C. 141-149) (relating to importation of milk).

(22) The Federal Caustic Poison Act.

(23) The Flammable Fabrics Act.

(24) The Federal Coal Mine Health and Safety Act of 1969 (other than title IV thereof).

(25) The District of Columbia Medical Facilities Construction Act of 1968.

(26) The Occupational Safety and Health Act of 1970.

(27) The Lead-Based Paint Poisoning Prevention Act.

(28) Titles XVIII, XIX, II, and V of the Social Security Act insofar as such titles relate to the provision of health care services.

(29) The District of Columbia Medical and Dental Manpower Act of 1970.

(30) The Drug Abuse Office and Treatment Act of 1972.

(b) The functions of the Secretary of Health, Education, and Welfare respecting

(1) the commissioned Regular Corps and

Reserve Corps of the Public Health Service, (2) the administration of section 329 of the Public Health Service Act (relating to assignment of health personnel of the Public Health Service to critical need areas), and (3) the administration and operation of health care delivery facilities of the Public Health Service shall be exercised by the Chief Medical Officer under the supervision and direction of the Secretary of Health.

(c) Within one hundred and eighty days of the effective date of this part the President may transfer to the Secretary any function not transferred to the Secretary by subsection (a) of this section, if the Director of the Office of Management and Budget determines such function (1) relates primarily to functions transferred by such subsection to the Secretary, or (2) otherwise relates to health.

REDESIGNATION OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 103. (a) The Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, the Under Secretary of Health, Education, and Welfare, the Assistant Secretaries of Health, Education, and Welfare, the General Counsel of the Department of Health, Education, and Welfare, and the Assistant Secretary of Health, Education, and Welfare for Administration shall on and after the effective date of this part be known and designated as the Department of Education and Welfare, the Secretary of Education and Welfare, the Under Secretary of Education and Welfare, the Assistant Secretaries of Education and Welfare, the General Counsel of the Department of Education and Welfare, and the Assistant Secretary of Education and Welfare for Administration, respectively.

(b) Any reference in a law, regulation, document, or other record of the United States to the Department of Health, Education, and Welfare or an office the title of which is redesignated by subsection (a) of this section shall be held and considered to be a reference to the Department of Education and Welfare or to such office as so redesignated.

ADMINISTRATIVE PROVISIONS

SEC. 104. (a) In addition to the authority contained in any other Act which is transferred to the Secretary, the Secretary is authorized, subject to the provisions of title 5, United States Code, relating to appointments in the competitive service and to classification and General Schedule pay rates, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out his functions and to prescribe their authority and duties.

(b) The Secretary may obtain services as authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the rate in effect for grade GS-18 of the General Schedule, unless otherwise specified in an appropriation Act.

(c) The Secretary may, in addition to the authority to delegate and redelegate contained in any other Act, in the exercise of the functions transferred to the Secretary by this part, delegate any of his functions to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions.

(d) So much of the positions, personnel, assets, liabilities, contracts, property, records, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, in connection with the functions transferred by section 102 as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary. Except as provided in subsection (e), personnel engaged in functions

transferred under this part shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(e) The transfer of personnel pursuant to subsection (d) of this section shall be without reduction in classification or compensation for one year after such transfer.

(f) In any case where all of the functions of any office or agency are transferred pursuant to this part, such office or agency shall lapse.

(g) The Secretary is authorized to establish a working capital fund to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such fund shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund.

(h) The Secretary may approve a seal of office for the Department, and judicial notice shall be taken for such seal.

(i) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, as necessary, and when not otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

(1) Emergency medical services and supplies;  
(2) Food and other subsistence supplies;  
(3) Messing facilities;  
(4) Motion picture equipment and film for recreation and training; and  
(5) Living and working quarters and facilities.

The furnishing of medical treatment under paragraph (1) and the furnishing of services and supplies under paragraphs (2) and (3) of this subsection shall be at prices reflecting reasonable value as determined by the Secretary, and the proceeds therefrom shall be credited to the appropriation from which the expenditure was made.

(j) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department.

(k) The Secretary is authorized to appoint, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, such advisory committees as may be appropriate for the purpose of consultation with and advice to

the Department in performance of its functions. Members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those authorized for individuals under subsection (b) of this section, and while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(1) (1) The Secretary is authorized to enter into contracts with educational institutions, public or private agencies or organizations, or individuals for the conduct of research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary may from time to time disseminate in the form of reports or publications to public or private agencies or organizations, or individuals such information as he deems pertinent on the research carried out pursuant to this subsection.

(3) Nothing contained in this subsection is intended to amend, modify, or repeal any provision of law administered by the Department which authorizes the making of contracts for research.

#### ANNUAL REPORT

SEC. 105. The Secretary shall, as soon as practicable after the end of each fiscal year, make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

#### SAVINGS PROVISIONS

SEC. 106. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of any function transferred by this part, and

(2) which are in effect at the time this part takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) This part shall not affect any proceedings pending at the time this section takes effect before any officer, any function of whom is transferred by this part; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued before the officer before whom they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this part had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2)—

(A) the provisions of this part shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this part had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity shall abate by reason of the enactment of this part. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States or

such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that is a party to a suit, and under this part any effect to the provisions of this subsection.

(2) If before the date on which this part takes effect any officer in his official capacity is a party to a suit, and under this part any function of such officer is transferred to the Secretary, then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the officer who was a party to the suit prior to the effective date of this part).

(d) With respect to any function transferred by this part and exercised after the effective date of this part, reference in any other Federal law to any officer, any function of whom is so transferred shall be deemed to mean the officer in whom this title vests such function after such transfer.

(e) Orders and actions of the Secretary in the exercise of functions transferred under this part shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the officer exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this part shall apply to the exercise of such function by the Secretary.

(f) In the exercise of the functions transferred under this part, the Secretary shall have the same authority as that vested in the officer exercising such functions immediately preceding their transfer, and the Secretary's actions in exercising such functions shall have the same force and effect as when exercised by such officer.

#### CODIFICATION

SEC. 107. The Secretary is directed to submit to the Congress within two years from the effective date of this part a proposed codification of all laws which contain functions transferred to the Secretary by this part.

#### DEFINITION

SEC. 108. For purposes of this part, the term "function" includes power and duty.

#### CONFORMING AMENDMENTS

SEC. 109. (a) Section 19(d)(1) of title 3, United States Code, is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Education and Welfare", and by inserting before the period at the end thereof the following: ", Secretary of Health".

(b) Section 101 of title 5, United States Code, is amended by striking out "Health, Education," in the antepenultimate paragraph and inserting in lieu thereof "Education" and by inserting below the last paragraph the following:

"The Department of Health".

(c) Subchapter II (relating to executive schedule pay rates) of chapter 53 of title 5 of the United States Code is amended as follows:

(1) Section 5312 is amended by striking out "Health, Education," in paragraph (10) and inserting in lieu thereof "Education", and by adding below paragraph (12) the following:

"(13) Secretary of Health."

(2) Section 5314 is amended by striking out "Health, Education," in paragraph (6) and inserting in lieu thereof "Education", and by adding below paragraph (59) the following:

"(60) Under Secretary of Health."

(3) Section 5315 is amended by striking out "Health, Education," in paragraphs (17) and (41) and inserting in lieu thereof "Edu-

cation", and by adding after paragraph (97) the following:

(4) General Counsel, Department of Health.

(5) Assistant Secretaries of Health (7)."

(4) Section 5316 is amended by striking out "Health, Education," in paragraphs (24), (51), (52), and (53) and inserting in lieu thereof "Education".

(5) Paragraph (43) of section 5316 is amended by striking out ", Education, and Welfare".

(6) Section 5317 is amended by striking out "34" and inserting in lieu thereof "36".

#### EFFECTIVE DATE; INITIAL APPOINTMENT OF OFFICERS

SEC. 110. (a) This part and the amendments made by this part shall take effect ninety days after its enactment, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this part may (notwithstanding subsection (a)) be appointed in the manner provided for in this part, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the rates authorized by this part. Such compensation and related expenses of their offices shall be paid from funds available for the functions to be transferred to the Department pursuant to this part.

#### PART B—FEDERAL ADMINISTRATION OF HEALTH CARE PROGRAMS

##### FUNCTIONS AND RESPONSIBILITIES OF THE SECRETARY

SEC. 111. (a) The Secretary shall be charged with responsibility for the planning, administration, operation, coordination, and evaluation of all programs transferred to him under part A of this title as well as the health care program under this Act.

(b) With respect to the program under this Act, the Secretary shall be specifically charged with responsibility for—

(1) continuous review of the activities of State Health Commissions;

(2) liaison with all Federal agencies administering health or health-related programs, and with private national accrediting and other agencies concerned with standards of care and qualifications of health personnel, including the approval and listing of certifying bodies;

(3) annual reports, to be transmitted through the Secretary to the President, first to evaluate the progress of State plans and the development of health care corporations, and thereafter to evaluate the national program, including recommendations for legislation, if any; and

(4) dissemination to State governments, and to providers of service and the public, of all pertinent information about the national program, and to State governments, providers of service, and potential sponsors of health care corporations of information concerning the organization and responsibilities of such corporations.

#### REGULATIONS OF THE SECRETARY

SEC. 112. (a) In addition to regulations specifically required or authorized by this title, the Secretary is authorized to prescribe such further regulations, not inconsistent with law, as he deems necessary to the efficient administration of the title. Regulations shall be issued in accordance with the provisions of section 553 of title 5, United States Code.

(b) In addition to authority otherwise conferred by this title, the Secretary is authorized to prescribe by regulation—

(1) uniform systems of accounting to be used in determining the reasonableness of the budgets and charges of Health Care Corporations and other providers of health care;

(2) the method or methods to be used, and the elements to be considered, in determin-

ing, for the purposes of section 146, the financial requirements of Health Care Corporations and other providers, including—

(A) for such corporations and for institutions—

(1) requirements for direct and indirect expenses for patient care services, including such services to indigents with respect to whom payment by or for the patient is waived in whole or in part by the corporation or institution, but reduced by the amount of any grants (including income from endowments) earmarked by the donor or reserved by the governing body of the corporation or institution for payment for such services;

(ii) requirements to defray any deficit of approved education or training programs and of approved research programs;

(iii) requirements for minor remodeling of facilities;

(iv) requirements for current operating needs (working capital) or to meet contingencies;

(v) requirements for allowable interest on funds borrowed;

(vi) requirements to meet other operating expenses required to meet standards imposed under this Act, such as patient education programs;

(vii) requirements of specific price level depreciation to establish and perpetuate a revolving fund to meet ongoing expenditures for the purchase of major movable equipment;

(viii) requirements of general price level depreciation on other plant and equipment facilities for the maintenance and preservation of the corporation's or institution's assets;

(ix) requirements for prospective accumulation of funds or current payments for construction, replacements, major modernization, or expansion of plant, equipment, and services, approved by the planning process, and debt amortization of these projects in those years when the expenditures for those projects exceed the sum of depreciation payments under clauses (vii) and (viii), provided that the corporation or institution makes assurances to the State health commission that the total payments for these financial requirements over the life of the facilities will not exceed their general price level depreciation charges; and

(x) requirements for a return (including but at no less a rate than the interest on debt capital) on total assets employed in the provision of institutional health services, with the Secretary determining annually a reasonable rate after consideration of rates of return on investments of comparable risk, and with such rate of return being included as a factor in developing prospective rates in the case of investor-owned institutions or serving as a basis for evaluating the total financial requirements in the case of non-profit institutions or corporations; and

(B) for individual providers or groups of providers, all reasonable fees, salaries, or other compensation for needed professional and related services;

(3) standards of quality and standards of safety for all facilities of, and all services furnished by, Health Care Corporations (including facilities of, and services furnished by, affiliated providers or other providers acting under arrangements with such corporations) and other providers; such standards to require, as a minimum, that hospitals, skilled nursing facilities, and home health agencies (including units of Health Care Corporations performing the functions of any such institutions) meet the applicable statutory requirements, pertaining to quality and safety, contained in title XVIII of the Social Security Act, and that other nursing homes meet such of the foregoing requirements as the Secretary finds appropriate;

(4) standards relating to the use of allied health professionals such as assistants to physicians and dentists, and relating to the qualifications of such personnel; and

(5) standards for the determination of qualified carriers under section 232.

#### NATIONAL HEALTH SERVICES ADVISORY COUNCIL

SEC. 113. (a) There is hereby established a National Health Services Advisory Council (hereinafter in this section referred to as the "Council"), which shall consist of the Secretary, who shall serve as Chairman of the Council, and twenty members, not otherwise in the employ of the United States, appointed by the Secretary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall include persons who are representative of providers of health services, and of persons (who shall constitute not less than one-half of the Council) who are representative of consumers of such services. Each appointed member shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring during the term for which his predecessor was appointed shall be appointed for the remainder of that term, and (2) the terms of the members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of the enactment of this Act. Members of the Council who are representative of providers of health care shall be persons who are outstanding in fields related to medical, hospital, or other health activities, or who are representative of organizations or associations of professional health personnel; and members who are representative of consumers of such care shall be persons, not engaged in and having no financial interest in the furnishing of health services, who are familiar with the needs of various segments of the population for personal health services and are experienced in dealing with problems associated with the furnishing of such services.

(b) The Council is authorized to appoint such professional or technical committees, from its own members or from other persons or both, as may be useful in carrying out its functions. The Council, its members, and its committees shall be provided with such secretarial, clerical, or other assistance as may be authorized by the Secretary for carrying out their respective functions. The Council shall meet as frequently as the Secretary deems necessary, but not less than four times each year. Upon request by seven or more members it shall be the duty of the Chairman to call a meeting of the Council.

(c) It shall be the function of the Council (1) to advise the Secretary on matters of general policy in the administration of this title and in the formulation of regulations (including prior review of and comment on such regulations, upon their issuance and upon any subsequent changes therein, before the publication of such regulations or changes in the Federal Register), and (2) to study the operation of this title and the activities of State Health Commissions, Health Care Corporations, and other providers, with a view to recommending any changes in the administration of this title or in its provisions which may appear desirable. The Council shall make an annual report to the Secretary on the performance of its functions, and the Secretary shall transmit the report to the Congress, together with a report by the Secretary on any administrative recommendations of the Council which have not been followed, and a report by the Secretary of his views with respect to any legislative recommendations of the Council.

(d) Appointed members of the Council and members of technical or professional committees, while serving on business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary but not exceeding the daily equivalent of the rate specified at the time of such service for grades GS-18 of the General Schedule.

ule; and while so serving away from their places of residence they shall be entitled to receive actual and necessary traveling expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the government service employed intermittently.

#### STUDIES OF DELIVERY AND FINANCING OF HEALTH CARE

SEC. 114. (a) The Secretary shall make a continuing study of the operation of this title, including the adequacy, quality, and utilization of services furnished by Health Care Corporations and other providers, the effectiveness of peer review and cost controls, the effectiveness of supervision of such corporations by State Health Commissions, the financing of services through insurance and otherwise, and all other aspects of the system of health care created pursuant to this title. The Secretary is authorized, also, to make studies and conduct research in regard to alternative methods of furnishing and financing health care (including methods followed in other countries), and of methods of enhancing, through financial incentives or otherwise, the quality of care and the economy and efficiency of its delivery.

(b) The Secretary may carry out his functions under this section directly or through contracts, and he is authorized to make grants to public or other nonprofit agencies or institutions for studies and research which he deems likely to further the purposes of this section.

(c) The Office shall from time to time publish the results of studies and research conducted pursuant to this section.

#### UTILIZATION OF STATE AGENCIES

SEC. 115. (a) The Secretary may, and to the optimum extent determined by him to promote efficient administration of this title shall, make arrangements with State Health Commissions (in accordance with section 134(b)(9)) whereby the commission involved (directly or through arrangements approved by the Secretary with another State agency or agencies) will—

(1) subject to the applicable provisions of part C of title II, contract, as agent and in the name of the Department of Health, with carriers approved by the Secretary, as provided in paragraphs (1) (B) and (C) of section 117(b); and

(2) from time to time perform such other functions for or on behalf of the Secretary, other than the issuance of Federal regulations and standards, under this title as the Secretary may deem appropriate.

(b) The Secretary shall, in accordance with section 121, pay State Health Commissions the cost of the proper and efficient administration of their functions under arrangements made with them pursuant to subsection (a).

#### FEDERAL FINANCIAL RESPONSIBILITIES FOR HEALTH SERVICES

SEC. 116. (a) Notwithstanding any provision to the contrary in title XVIII of the Social Security Act or in any other law, effective with respect to items and services furnished (and periods occurring) on or after the first transitional effective date as specified in section 301(b) and before the effective date for full operation of the program under this Act as specified in section 302—

(1) every individual who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act shall be automatically enrolled in the supplementary medical insurance program established by part B of such title (with such coverage period, and subject to such other terms and conditions, may be prescribed by the Secretary in regulations);

(2) every resident of the United States who is a low-income person or a member of a low-income family (as those terms are defined in section 203(a)(1) of this Act), and who is not otherwise entitled to hospital insurance benefits under part A of title

XVIII of the Social Security Act or enrolled in the supplementary medical insurance program established by part B of such title, shall, under regulations prescribed by the Secretary (but without regard to age, insured status, or any other eligibility requirements, or any coinsurance, copayment, or deductible requirements, which might otherwise apply), be provided by the Secretary, from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund (as may be appropriate), with benefits under this Act equivalent to the hospital insurance benefits available under part A of title XVIII of the Social Security Act and the supplementary medical insurance benefits under part B of such title; and

(3) no premium or similar amount shall be payable by any individual for or on account of his enrollment in or coverage under the insurance program established by part B of such title XVIII, or for or on account of the provision to him of benefits under paragraph (2) of this subsection.

There are authorized to be appropriated from time to time to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund (as may be appropriate) sums equal to (A) the cost of the additional benefits paid from such funds by reason of paragraph (2), and (B) the total premiums which, but for paragraph (3), would be payable by all individuals for or on account of enrollment in or coverage under the insurance program established by part B of such title XVIII or the benefits provided to them under paragraph (2).

(b) Effective with respect to items and services furnished (and periods occurring) on or after the second transitional effective date as specified in section 301(c) and before the effective date for full operation of the program under this Act as specified in section 302—

(1) every individual age 65 or over described in paragraph (1) or (2) of subsection (a) shall be provided by the Secretary (in addition to the benefits provided such individual under subsection (a)) with Catastrophic Expense Benefits coverage under and in accordance with section 225 of this Act;

(2) every resident of the United States who is a medically indigent person or a member of a medically indigent person or a member of a medically indigent family (as such terms are defined in section 203(a)(2) of this Act), and who is not otherwise entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act or enrolled in the supplementary medical insurance program established by part B of such title, shall, under regulations prescribed by the Secretary (but without regard to age, insured status, or any other eligibility requirements which might otherwise apply), be provided by the Secretary, from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund (as may be appropriate), with benefits under this Act equivalent to the hospital insurance benefits available under part A of title XVIII of the Social Security Act and the supplementary medical insurance benefits available under part B of such title, and in addition shall be provided with Catastrophic Expense Benefits coverage under and in accordance with section 225 of this Act at premium rates determined under section 206; and

(3) any other individual who registers with a Health Care Corporation shall be entitled to the 10-percent premium subsidy under section 202(c).

There are authorized to be appropriated from time to time to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund (as may be appropriate) sums equal to the additional costs incurred by such Funds by reason of benefits under this subsection.

(c) There are authorized to be appropriat-

ed for each fiscal year beginning on or after the effective date specified in section 302, for the purpose of financing the program set forth in title II of this Act, an amount sufficient to pay (on the basis of estimates for such fiscal year)—

(1) the cost of providing prepaid coverage for Comprehensive Health Care Benefits to persons who are under the age of 65 and are low-income persons or members of low-income families;

(2) the net cost, after deducting the contribution to be required of them, of providing such coverage to persons who are under the age of 65 and are medically indigent persons or members of medically indigent families;

(3) (i) the added cost, resulting from their low incomes or their medical indigence, of providing such coverage to persons who have attained the age of 65 years and who either are low-income persons or members of low-income families or are medically indigent persons or members of medically indigent families, and (ii) the added cost of Comprehensive Health Care Benefits available to those eligible for benefits under part A of title XVIII of the Social Security Act;

(4) the cost of providing the 10-percent premium subsidy under section 202(c) for all individuals who register with Health Care Corporations and purchase Comprehensive Health Care Benefits privately (or for whom such benefits are purchased by private sources);

(5) the cost of providing the subsidy under section 232(c)(1) of the Social Security Act for employers whose costs under the program exceed those specified in such section;

(6) the cost of health benefits provided for individuals receiving unemployment compensation benefits, and for members of their families, as described in section 906 of the Social Security Act;

(7) the cost of establishing or maintaining a reserve equal to 5 percent of the foregoing costs; and

(8) the cost of administration incurred by the Secretary in providing these coverages.

(d) For each fiscal year the Secretary shall estimate the costs referred to in subsections (a), (b), and (c) by projection based upon the costs in the second preceding fiscal year, or (in the case of the first two fiscal years involved) upon the Secretary's estimate of the costs that would have been incurred in such second preceding fiscal year if this title had then been in effect. Each projection shall take account of the then current rate of change in the cost of health services, expected changes in the low-income population and the medically indigent population, trends in the utilization of health services, and other factors which the Secretary finds relevant; and, in projecting aggregate contributions to be made by medically indigent persons and families, shall take account of the then current rate of change in the Consumer Price Index.

#### CONTRACTION AUTHORITY OF THE SECRETARY

SEC. 117. (a) (1) The Secretary shall, through contracts with carriers, provide the prepaid coverage for the benefits to which aged, low-income, and certain other individuals and their families are entitled under section 203.

(2) In addition to the qualifying requirements for carriers specifically set forth in this title, the Secretary may establish further qualifying standards for carriers (or classes thereof).

(b) (1) The Secretary may negotiate and enter into (A) contracts with a carrier or carriers to administer Comprehensive Health Care Benefits for all individuals entitled to benefits under section 202; (B) contracts with qualified carriers which have underwritten a prepayment plan for a Health Care Corporation operating wholly or primarily on a predetermined capitation charge basis; and (C) direct contracts with Health Care Corporations under section 235 if the cor-

porations operate on a predetermined capitation charge basis and as such qualify as carriers.

(2) The Secretary may authorize State Health Commissions to act as his agents in contracting with carriers as described in paragraph (1).

(3) Contracts under this part are exempted from any provision of law requiring competitive bidding and from such other requirements of laws as the Secretary may waive. The Secretary is required, however, to notify all potentially qualified carriers a description of the contract requirements he desires and the requirements and provisions of this title and regulations, and to invite these carriers to submit proposals. Among the factors which the Secretary is required under this title to consider in negotiating and approving contracts shall be the carriers' experience with group health insurance or prepayment plan coverage. The Secretary may require the contracting carrier to subcontract with other carriers, and he shall enter into a contract with a combination of carriers only if this does not result in higher administrative costs and only if it best serves the purposes of this title. The term "combination of carriers" or "combination", as used in this section, means (i) a group of qualified carriers that have entered into a joint venture or other cooperative arrangement for the purpose of administering coverage under a contract under this part, or (ii) a corporation (which itself is a qualified carrier) designated or caused to be created by a group of qualified carriers for the purpose stated in clause (i); and any further reference in this part to a "carrier" shall be deemed to include reference to such a combination.

#### FEDERAL RESPONSIBILITY FOR DEVELOPMENTAL GRANTS

SEC. 118. (a) It is one of the purposes of this part to establish the responsibility of the Secretary to encourage, promote, and assist the establishment, as soon as practicable, of the comprehensive health care delivery system contemplated by this title, by providing financial and technical assistance for the early planning, development, establishment, and initial operation of Health Care Corporations, including incentives for use of the capitation payment method for health care and for the development and improvement of outpatient care centers, particularly in poverty and rural areas.

(b) There are authorized by the Secretary to be appropriated for each fiscal year, for carrying out the purpose stated in subsection (a), such sums as may be necessary. Sums so appropriated for grants or contracts for any fiscal year shall remain available for obligation until the case of the succeeding fiscal year.

#### AUTHORIZATION OF DEVELOPMENTAL FINANCIAL ASSISTANCE

SEC. 119. (a) For the purpose stated in section 118, the Secretary is authorized, in accordance with the provisions of this part, to make—

(1) grants for planning, organizing, developing, and establishing Health Care Corporations (or for any one or more of such activities), including affiliation or other arrangements (if any) of such a corporation with providers of health care, in conformity with part D of this title;

(2) contracts, in connection with the establishment or substantial expansion of Health Care Corporations, to pay for a reasonable period all or part of any operating deficits of such corporations;

(3) grants to Health Care Corporation, or to public or nonprofit providers affiliated therewith, for the initial operation of (A) new outpatient care centers or (B) new or expanded services in (or based in) outpatient care centers; and

(4) grants for major health-maintenance, diagnostic, or therapeutic equipment, data

processing systems or equipment, or central-service equipment, needed for initial operating capability of Health Care Corporations,

(b) (1) In making grants and contracts under this part, the Secretary (A) shall take into account existing health care resources and health care delivery systems in the several States, the relative need of the States and areas within the States for such assistance, and their populations, and (B) shall have due regard to the achievement, consistently with the purposes of this title and this part, of an equitable distribution of such assistance.

(2) Not more than 15 percent of the appropriations made for grants or contracts under this part may be expended in any one State.

(3) In making grants and awarding contracts during the first five fiscal years for which funds have been appropriated under this part, the Secretary shall give priority to the applications of corporations that (A) operate primarily on the basis of predetermined capitation charges, or (B) are in the process of converting to primarily that basis, or (C) agree to operate on or convert to primarily that basis if awarded such a grant or contract. After that period, the Secretary may award such grants and contracts only to such corporations.

(4) (A) A grant or contract shall not be made or awarded under the preceding provisions of this part when there is in effect, for the State that includes the area involved in the application for such assistance, a State plan approved under part C, unless the State Health Commission has recommended approval of the application and has certified—

(1) in the case of an application for a grant under subsection (a) (1) of this section that there is need for a Health Care Corporation in the area involved (or of an additional Health Care Corporation if one approved under part C has already been assigned to the area);

(2) in the case of an application for a contract under subsection (a) (2) of this section or section 121, that the applicant (A) is a Health Care Corporation in conformity with section 141(a), and (B) has been approved, or upon the Secretary's approval of the application for the contract will be approved, by the Commission under part D; or

(3) in the case of an application for a grant under subsection (a) (3), that (A) the Health Care Corporation which is the applicant or involved in the application is in conformity with section 141(a) and has been, or upon approval of the grant application by the Secretary will be, approved by the Commission under part C; and (B) the outpatient care center or services thereof, or the equipment or system, for which the grant is sought, is needed for the effective discharge of the corporation's functions under the State plan.

(c) (1) In the case of a State for which there is not yet in effect a State plan approved by the Secretary under part C but in which a State Health Commission and a State Advisory Council have been established in conformity with that part, the Secretary shall not make a grant or contract under the foregoing sections of this part unless the Commission, the State planning agency (if any) designated or established for the State as required under section 314(a) (2) (A) of the Public Health Service Act (if it is a separate agency from the commission), and the appropriate areawide health planning agency (if it is different from the State planning agency) have had an opportunity (in accordance with regulations of the Secretary) to review and comment on the application for the grant or contract.

#### GRANTS FOR STATE PLANS

SEC. 120. (a) In order to facilitate and expedite the submission of State plans to the Secretary pursuant to section 134, the Secretary is authorized to make grants to State

Health Commissions for all or part of the necessary cost of developing and preparing such plans, including (but not limited to) the expenses of their State advisory councils consulted in connection therewith, the cost of disseminating to the public and to others information concerning a proposed plan, and the cost of public hearings thereon.

(b) There are authorized to be appropriated for grants under this section such sums as may be necessary for each fiscal year in the period beginning with the fiscal year in which this Act is enacted and ending with the close of the third full fiscal year after this Act is enacted.

(c) (1) From the sums appropriated therefor, the Secretary shall pay to each State which has a plan approved under this title an amount equal to the Federal percentage of the sums expended for the proper and efficient administration of the State plan. Such payments and payments under grants pursuant to this section may be made in installments (not less often than quarterly) and may be made in advance (on the basis of estimates) or by way of reimbursement, with necessary adjustments on account of prior overpayments or underpayments.

(2) The Federal percentage, for the purpose of paragraph (1), shall be 90 percent with respect to sums expended by a State during fiscal years ending prior to the effective date of the benefit program under this Act (as set forth in sections 201 and 202), 85 percent with respect to sums so expended during the next two fiscal years, and 75 percent with respect to sums expended thereafter; except that with respect to sums expended by the State for proper and efficient administration pursuant to provisions of the State plan contained therein in compliance with section 134(b) (10) the Federal percentage shall always be 100 percent.

#### FINANCIAL ASSISTANCE UNDER OTHER PROGRAMS

SEC. 121. (a) (1) In administering other programs of financial assistance in the field of health care (including construction of facilities for health care) the Secretary and, on recommendation of the Secretary, other Federal agencies shall to the optimum extent utilize those programs to promote the purposes of this Act.

(2) Notwithstanding any other provision of law, the Secretary may, and such other agencies when requested by the Secretary shall, in the administration of such other programs, give (or require agencies and organizations assisted to give) highest priority to the needs of Health Care Corporations, particularly in areas determined by the Secretary to be urban or rural poverty areas.

(b) (1) The Secretary shall prepare and widely disseminate, through publications and otherwise, information concerning the availability of assistance under this part.

(2) The Secretary may upon request provide advice, counsel, and technical assistance to Health Care Corporations and other interested organizations and agencies in preparing applications, and in meeting the requirements of this part and of the Secretary, for grants and contracts authorized by this part.

#### PENALTIES FOR FRAUD

SEC. 122. (a) Any individual, provider of health care, carrier, or other person who—

(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any application for any benefit, or any grant or other payment, under this Act,

(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to any such benefit or payment,

(3) having knowledge of the occurrence of any event affecting (A) his or its initial or continued right to any such benefit or payment, or (B) the initial or continued right to any such benefit or payment of any other person in whose behalf he or it has applied

for or is receiving such benefit or payment, conceals or fails to disclose such event with an intent fraudulently to secure such benefit or payment either in a greater amount or quantity than is due or when no such benefit or payment is authorized, or

(4) having made application to receive any such benefit or payment for a particular use or purpose and having received it, knowingly and willfully converts such benefit or payment or any part thereof to any other use or purpose,

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(b) Any provider of health care or other person who furnishes items or services to an individual for which payment is or may be made under this Act and who solicits, offers, or receives any—

(1) kickback or bribe in connection with the furnishing of such items or services or the making or receipt of such payment, or

(2) rebate of any fee or charge for referring any such individual to another person for the furnishing of such items or services, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(c) Whoever knowingly and willfully makes or causes to be made, or induces or seeks to induce the making of, any false statement or representation of a material fact with respect to the conditions or operation of any organization, institution, or facility in order that it may qualify as a carrier or a provider of health care for purposes of this Act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$2,000 or imprisoned for not more than 6 months, or both.

#### PART C—STATE FUNCTIONS

##### GENERAL CONDITIONS OF STATE PARTICIPATION

SEC. 131. (a) States will be in compliance with this Act if, and only if, in conformity with the requirements of this part, (1) the State (A) has accepted the provisions of this Act and created, as a newly constituted and independent establishment within the executive branch of the State government, a State agency for carrying out the responsibilities devolving upon the State under this Act headed by a multimember governing body hereinafter in this title referred to as the "State Health Commission" (or as the "State commission" or the "commission"), and (B) has vested in such agency the exclusive authority on behalf of the State to establish and maintain appropriate standards and requirements for all hospitals, nursing facilities, and other institutional health care facilities; (2) there has been established in that agency a State Advisory Council; and (3) there is in effect an approval, by the Secretary, of a State plan submitted by the State Health Commission under section 134 for carrying out the State's responsibilities under this title.

(b) For Federal exercise of State functions in cases of noncompliance by States, see section 138.

##### STATE HEALTH COMMISSIONS

SEC. 132. (a) The State Health Commission of a State shall be composed of three or five members (whichever number may be authorized under the law of its creation) appointed by the Governor of the State for staggered terms, which shall be renewable. Each term shall be for six years, except as necessary in the case of initial appointments to meet the requirement of staggered terms, and except in the case of a member appointed to fill a vacancy occurring before the expiration of the term of his predecessor. Not more than two members of a three-member commission, nor three members of a five-member commission, shall be members of the same political party. The Governor shall designate

one of the members of the commission to serve as chairman.

(b) (1) It is the sense of the Congress that the members of a State Health Commission should be chosen, not primarily from the standpoint of specialized experience in the subject-matter fields within the commission's jurisdiction, but rather with a view to their ability to bring to the affairs of the commission broad gaged, highly qualified, effective, and disinterested policy direction. Persons representative of the health care providers shall not constitute a majority of the membership of the commission.

(2) During his term of membership, no member of the commission shall engage in any other business, vocation, or employment.

(3) The chairman and other members of the commission shall receive salaries at levels comparable to the compensation of the head of a principal executive department of the State.

(4) No member of the commission shall during his term of office be subject to removal except for dereliction of duty, corruption, incompetency, or conviction of a crime involving moral turpitude, or for a cause stated in paragraph (5) of this subsection.

(5) Any individual, while in the employ of or holding any official or contractual relation to or affiliation with a Health Care Corporation or any other corporation or provider of health care under the regulatory jurisdiction of the State commission, while in any manner pecuniarily interested in any such corporation or provider, shall be disqualified from being a member, officer, or employee of the commission; except that if such disqualification by reason of pecuniary interest arises otherwise than voluntarily while such individual is such a member, officer, or employee, the individual may be permitted to remain in office or employment if within a reasonable time he divests himself of that pecuniary interest. The preceding sentence shall not apply to membership on the State Advisory Council by an individual who discloses his interest in or relation to a corporation or provider, nor shall it apply to any individual solely because he is a registrant of a Health Care Corporation or a beneficiary member of or subscriber to another provider of health care.

#### STATE ADVISORY COUNCILS

Sec. 133. The Advisory Council to the State Health Commission of a State, which shall consult with the commission in the development and carrying out of the State plan, shall be appointed by the Governor of the State and consist of (1) persons broadly representative of health care providers (including health organizations) in the State including but not limited to persons representative of Health Care Corporations when organized and approved, hospitals and other health care institutions, other nongovernmental and public organizations, societies and groups of health professionals, and schools and institutions particularly concerned with education or training of persons in the health professions and ancillary occupations, and (2) not less than an equal number of persons who are representative of consumers of health care and (A) neither are providers nor have a pecuniary interest in the provision of such care, (B) are familiar with the needs of the various segments of the State's population for such care, and (C) are experienced in dealing with problems associated with the provision of such care.

#### STATE HEALTH CARE PLANS

Sec. 134. (a) In order to be approvable under this part for any year the State plan of any State must—

(1) meet the requirements of subsection (b);  
 (2) have been submitted to the Secretary by the State Health Commission (constituted and operating in conformity with the

preceding sections of this part) at such time and presented in such detail, and contain or be accompanied by such information, as the Secretary deems necessary;

(3) have been prepared in consultation with the State Advisory Council; and

(4) have been submitted to the Secretary only after the commission has afforded to the general public of the State a reasonable opportunity for presentation of views on the plan in the case of submission of the plan for initial approval or for annual renewal of approval after major revision of the plan.

(b) The State plan must—

(1) designate the State Health Commission of the submitting State as the sole agency for the administration of the plan, except as otherwise authorized by this part;

(2) contain or be supported by satisfactory evidence that the commission has the authority to carry out the plan in accordance with this part;

(3) provide for adequate consultation with the State Advisory Council in carrying out the plan;

(4) set forth in such detail as the Secretary may prescribe the qualifications for personnel having responsibilities in the administration of the plan;

(5) provide for such methods of administration as are found by the Secretary to be necessary for the proper and efficient administration of the plan, including (A) methods relating to the establishment and maintenance of personnel standards on a merit basis consistent with such standards as are or may be established by the Civil Service Commission under section 208(a) of the Intergovernmental Personnel Act of 1970 (Public Law 91-648), and (B) provision for utilization of qualified professional medical personnel (particularly in connection with the development or administration of standards of quality and utilization of health care) and of allied health professionals and other qualified professional staff; but the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with the methods relating to personnel standards on a merit basis established and maintained in conformity with this paragraph;

(6) (A) provide for the designation of preferred service areas by applicant Health Care Corporations in accordance with the requirements of section 145 and for approval in each such area of one or more Health Care Corporations in accordance with section 135;

(B) include, with respect to existing and proposed Health Care Corporations, their affiliated providers of health care, and other such providers, (i) provisions incorporating the requirements of part D of this title, and (ii) the provisions required by section 136;

(C) provide, in accordance with sections 135 and 136, for cooperation with other States in the administration of the plan, and in particular authorize cooperative arrangements with adjoining States with respect to (1) joint service areas and (ii) establishment, admission, and approval of Health Care Corporations for service in such joint areas or for serving separate areas in the cooperating States; and

(D) include a program for completing (i) the initial approval of Health Care Corporations for service in designated areas (including, if necessary to carry out the purpose stated in section 2(b) (2), the creation of governmental Health Care Corporations), and (ii) the initial registration of eligible individuals with such approved corporations, not later than the close of the fourth fiscal year that begins after the calendar year in which this Act is enacted;

(7) (A) include such provisions for effective arrangements or procedures as will assure an opportunity to obtain group coverage for Comprehensive Health Care Benefits at

reasonable rates, for themselves or their employees, to all residents of the State who are not entitled to coverage of such benefits purchased by the Secretary, and provide for the effective enforcement of these arrangements and procedures by the commission (subject to review by the Secretary with respect to enforcement of Federal regulations);

(B) provide for regulating the premium rates of carriers issuing group health benefit prepayment plans or insurance contracts for residents of the State (except under contracts negotiated and made directly by the Secretary), except that the plan may—

(1) vest in the State agency primarily charged by State law with regulating the business of insurance in the State, or

(ii) authorize the commission to delegate to that or another appropriate State agency, the function of regulating the premium rates for such prepayment plans or insurance contracts charged by carriers (other than Health Care Corporations acting as carriers for their own registrants);

(C) provide, consistent with regulations and standards of the Secretary relating to Comprehensive Health Care Benefits coverage, for the regulation and supervision of such carriers and such plans and contracts by the commission, including in the case of group coverage for Comprehensive Health Care Benefits the establishment, by the commission, of required standard provisions whereby, in the event of interruption or termination (by death or otherwise) of a covered individual's status as a member of the employee or other group that the plan or contract covers, the individual (or covered members of his family in case of his death) will have the privilege of continuing coverage under the plan or contract for a specified period (not less than 30 days) that the commission deems reasonable; and

(D) provide (subject to any regulation by the Secretary or interpretations thereunder with respect to coverage for Comprehensive Health Care Benefits)—

(1) for granting an opportunity for a fair hearing, before the commission, to any approved Health Care Corporation or nonaffiliated provider whose claim against a carrier for payment of charges for services or items furnished to a registrant of the corporation or a nonregistrant covered by the carrier for Comprehensive Health Care Benefits, or for payment of capitation charges with respect to a thus covered registrant in the case of a Health Care Corporation or other comprehensive health care delivery organization operating on a capitation charge basis, has been denied by the carrier in whole or in part, and

(ii) for adjudicating the claim;

(8) provide effective methods and procedures for (A) optimum utilization or adaptation, in the administration of the plan submitted under this section, of (i) such plans as have been or will be developed for the State pursuant to subsection (a) of section 314 of the Public Health Service Act, (ii) the State plan approved under subsection (d) of that section, (iii) any comprehensive plans developed under subsection (b) of that section for regions, metropolitan areas, or other local areas wholly or partly within the State, and (iv) relevant plans developed under any other programs, and (B) coordination (or, at the State's option, consolidation in the case of planning at State level) of planning under the plan submitted under this section with ongoing or projected planning activities under those subsections or programs;

(9) provide that, if and to the extent requested by the Secretary, the commission (directly or through appropriate arrangements, approved by the Secretary, with another appropriate State agency or agencies) will perform, for or on behalf of the Secretary, any or all of the following functions:

(A) as authorized by section 108, contract,

as agent of the Secretary, with qualified carriers for Comprehensive Health Care Benefits coverage in the State required under this Act to be financed by Federal purchase of such coverage from a carrier;

(B) act as fiscal agent of the Secretary in transactions with carriers (or classes thereof) in the State, including (if and to the extent that the Secretary assumes this function) the collection or receipt, and transmittal to carriers, of premium contributions by beneficiaries of federally purchased Comprehensive Health Care Benefits coverage (or by others on their behalf) when such contributions are required by or pursuant to this Act;

(C) furnish the Secretary such timely information and prospective estimates as the Secretary may find necessary for developing its estimates of costs and required Government contributions under section 116;

(D) review, and make recommendations with respect to, applications to the Secretary for grants under appropriate sections of part B of this title, and, when requested, review and make recommendations with respect to applications to the Secretary for grants or contracts under other provisions of law administered by the Secretary, act as agent for the Secretary in investigating and certifying compliance with the terms and conditions of such grants or contracts, and make payments from Federal funds thereunder; and

(E) perform such other functions for or on behalf of the Secretary as he may reasonably request;

(10) (A) in cooperation with the Secretary, and in accordance with such methods as may be recommended for the design and implementation of a nationwide cooperative system for producing comparable and uniform health-related information and statistics, function as a center, for the State, for the collection (from Health Care Corporations and other providers, health benefit prepayment plans and private health insurance companies, and other sources), retrieval, analysis, reporting, and publication of statistical and other information related to health and health care, including data on the fiscal operations of such corporations, plans, and companies and including data of the kinds enumerated in section 305 of the Public Health Service Act, and (B) require such corporations and providers, and such plans and companies doing business in the State, to make statistical and other reports of such information and data to the commission;

(11) provide safeguards that restrict to purposes directly connected with the administration of the plan the use or disclosure of identifying information concerning (A) individuals with respect to whom information is obtained in carrying out the State plan provisions required by paragraph (10), or (B) individuals who are registrants or applicants for registration under this Act or who claim eligibility for Comprehensive Health Care Benefits coverage by a carrier;

(12) provide, in accordance with methods and procedures prescribed or approved by the Secretary, for the evaluation, at least annually, of the health-related and economic effectiveness of the activities of the commission and of Health Care Corporations (including their affiliated providers) and other providers under the commission's supervision, including a review and comparative evaluation of data on utilization of health care services (including drugs) provided by Health Care Corporations and other providers;

(13) provide that the commission will make such annual and other reports (including reports of evaluations made pursuant to the provisions contained in the plan in accordance with the preceding paragraph) as the Secretary may from time to time reasonably require, and comply with such provision as the Secretary may find necessary

to assure the correctness and verification of such reports; and

(14) provide that the commission will from time to time, and in any event not less often than annually, review the plan and submit to the Secretary any modification thereof which it considers necessary.

(c) The Secretary shall approve any State plan and any modification thereof which complies with subsections (a) and (b); except that he shall not grant such approval if the plan or modification or other State law (statutory or otherwise) or the practice of a State licensure or regulatory authority under color of law—

(1) prevents or limits Health Care Corporations (approved by the commission under the plan) or other health care institutions from undertaking to provide covered health care to registrants (and to others at its election) or patients (A) through direct employment of medical or other licensed health care practitioners by the corporation or other nonprofit providers, or (B) through prepaid group practice (as defined by regulations of the Secretary) or other arrangements by the corporation or other providers with such practitioners or groups thereof (whether such arrangements be on a capitation, fee-for-service, or other basis); or

(2) deprives any Health Care Corporation of its right to designate its preferred service area and of its right of appeal for change in such service areas, in accordance with the provisions of this Act; or

(3) disqualifies from service on the governing board of a Health Care Corporation or institutional provider thereof a physician who is on the staff of the Health Care Corporation or such provider or is an affiliated provider of the Health Care Corporation; or

(4) prevents or limits such practitioners from employing or arranging with appropriately trained assistants under their supervision to perform, consistently with standards of the Secretary prescribed under section 112(b)(4), health care functions commensurate with their qualifications and training; or

(5) prevents or limits carriers from offering coverage of health care provided in accordance with paragraph (1), (2), (3), or (4), unless the Secretary determines, in accordance with regulations issued by him, that the prohibition or restriction is consistent with the purposes of this title.

(d) (1) An approval of a State plan submitted to the Secretary under this part shall, unless renewed, or unless sooner withdrawn or suspended under this part, be in effect for a period of one calendar or fiscal year, whichever the Secretary determines, except that the initial approval may be for the remainder of the fiscal or calendar year then current or, where deemed appropriate by the Secretary, may be made effective until the end of the succeeding year.

(2) For the purposes of this Act, a State with respect to which there is in effect an approval of a State plan by the Secretary under this part, or with respect to which the Secretary is performing the functions that he is authorized to perform under section 138 (a) or (c)(4), is a "participating State".

#### DESIGNATION OF HEALTH CARE AREAS

SEC. 135. (a) As soon as practicable after its organization, the State Health Commission of each participating State shall conduct a study and survey with a view to the approval of service areas for applicant Health Care Corporations as a basis for the issuance of certificates of approval by the commission (in accordance with section 136 (a)(3)), with the objective of affording to all the people in the State equal and ready access to the full range of comprehensive health care of high quality provided for in this title and, where practicable, a choice among Health Care Corporations. In making its study and survey, the commission shall give appropriate consideration to (1) the

size and distribution of the State's population and the incidence of illness or disease in population groups in different regional, metropolitan, or other local areas (or parts thereof) of the State, (2) existing health care organizations, institutions, or resources for the provision of health care, their potential for sponsoring or participating in the organization of Health Care Corporations, and their distribution in relation to the need for care, (3) local governmental structures, (4) transportation facilities, (5) patterns of organization for the delivery of health care, (6) patterns of use of health care, and (7) other relevant factors. To assist in its study and survey, and especially in connection with its consideration and evaluation of the factors referred to in clause (2) of the preceding sentence the commission shall set a date by which shall be filed with it applications by Health Care Corporations for certificates of approval for operation in areas defined in the respective applications (or statements of intention, by proposed sponsors of such corporations, to file such applications). No such certificate shall be granted under section 136 until a final regulation has been issued under the last sentence of subsection (c)(1) of this section.

(b) In addition to making the study and survey referred to by subsection (a), and before approving applications for certificates of approval, the commission shall consult with persons representative of the general public, representatives of public and private hospitals and other health care institutions or their organizations, representatives of the medical and other health care professions, including persons representative of health care practitioners engaged or employed in prepaid group practice, representatives of appropriate State and local governmental agencies, State commissions in adjoining States (where appropriate), and other interested groups and individuals.

(c) (1) After its study, survey, and consultation, the commission shall publish a proposed regulation setting forth its findings and approvals of Health Care Corporations and the service areas proposed, which need not coincide with the areas of existing municipalities or political subdivisions of the State. The commission shall give reasonable public notice of its proposal and of a public hearing or hearings on the proposal and shall, after such hearing or hearings, by final order confirm the regulation or issue a revised regulation.

(2) In carrying out this section the commission may, in accordance with cooperative arrangements referred to in section 134(b)(6)(C), designate jointly with another State or States a service area or areas that include parts or all of such States.

(d) The commission may, either on its own motion or on petition of any interested Health Care Corporation or other interested provider of health care, an interested registrant or organization representing registrants, or any other interested person, amend or repeal a final regulation issued under subsection (c), but final action on a proposal under this subsection may (upon request of an interested person filing objections to the action proposed, specifying with particularity the changes desired, and stating reasonable grounds therefor) be taken only by decision on the record made after reasonable notice and opportunity for a fair hearing.

#### REGULATORY FUNCTIONS OF STATE HEALTH COMMISSIONS

SEC. 136. (a) For the purposes of part D of this title and of paragraph (6) of section 134(b), a State plan shall, in addition to complying with section 135—

(1) provide for (A) stimulating and encouraging the organization of Health Care Corporations (as defined in section 141(a)) where needed, by (1) giving information and advice to providers of health care and other

potential sponsors as to the requirements for organization of such corporations and for commission approval of such corporations for service, (ii) giving technical assistance to sponsors in meeting such requirements, and (iii) in appropriate cases recommending to the Secretary grants or contracts under part A of this title; and (B) in accordance with cooperative arrangements referred to in section 184(b)(6), cooperating with State Health Commissions of other States in jointly (or concurrently) or reciprocally admitting and approving Health Care Corporations for service, especially in joint or adjoining service areas of the respective States;

(2) provide for authorizing the incorporation in the State, or admission from other States, of nonprofit corporations and, at the State's option, of governmental corporations that can under the law of the State qualify as Health Care Corporations in accordance with section 141(a), but this function may at the option of the State be vested in an authority of the State other than the State Health Commission if this will not substantially permit the duplication of functions of the commission or impede the objectives of this Act;

(3) (A) provide for evaluation of the application of any corporation (incorporated in or admitted to the State in accordance with paragraph (2)) for approval to operate as a Health Care Corporation in a service area or areas approved by the commission in accordance with section 135;

(B) provide for granting such approval (evidenced by a certificate of approval) if (after reasonable notice and opportunity for hearing to the applicant, to any other corporation which holds or has applied for a certificate of approval for the service area or areas involved, and to the public) the commission finds—

(i) that the applicant qualifies as a Health Care Corporation in conformity with section 141(a) and satisfies the requirements of clauses (2) and (3) of section 141(b),

(ii) that there is need for the facilities and services to be provided by the applicant in the area or areas covered by the certificate,

(iii) if another Health Care Corporation or corporations already holds a certificate of approval for a service area covered by the certificate, that the additional operation of the applicant in that area will be economically feasible and will promote the purpose of giving a choice of registrants as stated in section 2(b)(2), and

(iv) if there is also pending before the commission the application of another Health Care Corporation for approval of its operation in a service area included in the certificate granted to the first-mentioned applicant, that in the review process the two applications have been jointly considered and either (I) that approval is also granted to the other applicant or (II) that for reasons stated in the commission's findings approval to the other applicant is denied; and

(C) provide that any certificate of approval granted by the commission is subject to revocation or amendment in accordance with subsection (c) of this section or upon revision of the approved service area or areas, covered by the certificate, under the provisions included in the State plan in accordance with section 135;

(4) provide, with respect to any service area for which more than one Health Care Corporation is approved and in which the combined capacity of all such corporations is sufficient to serve adequately all residents of the area but in which the separate capacity of one or more (but less than all) of such corporations can serve adequately only a reasonable proportion of the area's residents, for allowing any such corporation (whose capacity is thus limited) to restrict to a number approved by the commission the number of individuals whom it will accept for registration, and requiring the corporation in that event to accept, in such manner

as may be required by the commission, residents of the area up to that number for registration on a first-applied first-accepted basis; but the plan shall preclude any action or procedure under this paragraph that does not assure the adequate provision, on a non-discriminatory basis, of all the benefits of this Act to all the residents of the area who desire to register;

(5) (A) provide for limiting all charges of approved Health Care Corporations and other licensed providers for health services and items to the kinds of charges and the rates that are prospectively approved by the commission, in accordance with the principles and requirements of sections 112(b)(3) and 146, after (i) review of the provider's budget and its proposed charges, and (ii) such review or examination of other data, and such inspection, as the commission may deem appropriate; (B) require that the provider's budget and charges (i) do not make provision for services that are excessive or unnecessarily duplicative and (ii) do not take into account any actual or proposed capital expenditures (as defined in regulations of the Secretary) related to construction or rental of health care facilities by or for the provider for which the commission has not granted a certificate of need when required under the plan; (C) require that charges for physicians' services, such as those of radiologists and pathologists, that are held out as generally available to all inpatients of an institution, be included as part of institutional-service charges and not as separate physicians' services charges (regardless of the method of payment to the physician); (D) require that the provider's budget and proposed charges be prepared in accordance with accounting principles, prescribed by the Secretary, designed to bring about uniform methods of determining institutional costs and financial requirements; and (E) provide for granting an opportunity for a fair hearing to any health care provider which is dissatisfied with a decision of the commission with respect to the provider's proposed charges;

(6) provide for effective enforcement, by the commission, of the responsibility of approved Health Care Corporations and other licensed providers to (A) provide the necessary health care and items for which the registrants have Comprehensive Health Care Benefits coverage, (B) assure that such care be of not less than the scope, quality, and comprehensiveness required by this Act, including regulations and standards of the Secretary prescribed under part B of this title, (C) in the instance of Health Care Corporations, perform the functions specified in sections 143 and 144 with respect to services furnished by others to registrants while absent from their place of residence or in emergencies, and (D) in the instance of nonaffiliated providers, perform functions similar to those specified in section 144, as specified in regulations;

(7) prohibit the construction, modernization, or expansion of facilities and services of hospitals, skilled nursing facilities, nursing homes, or other health care facilities, or the establishment of such facilities through rental of major equipment or existing structures, by Health Care Corporations or other providers, except when authorized by a certificate of need by the commission;

(8) authorize the commission in its discretion to adjudicate, at the request of an approved Health Care Corporation or a provider affiliated with it, or a nonaffiliated provider, a controversy between the corporation and the provider with respect to any matter within the regulatory or supervisory authority of the commission;

(9) provide for granting an opportunity for a fair hearing before the commission (A) to any individual who is not accepted for registration by an approved Health Care Corporation of whose approved service area he claims to be a resident; or (B) with respect to a monetary claim by a registrant

against a provider or against a carrier under whose prepayment plan the individual is covered for Comprehensive Health Care Benefits, or by a provider or a carrier against the individual relating to the provision of health care or to such coverage, where the claim has been denied (in whole or part) or is not acted upon with reasonable promptness and the amount in controversy is \$100 or more; or (C) to any individual who alleges a substantial failure of the provider with respect to the provider's obligations to provide health care to the individual, and alleges facts showing that the failure is part of a pattern of similar conduct;

(10) provide for review and approval of peer review systems of approved Health Care Corporations and for continuous surveillance over the performance of approved Health Care Corporations in relation to their obligations under this Act, and enforcement of those obligations as provided for in this section; and

(11) provide for review and approval of peer review systems of nonaffiliated providers and for continuous surveillance over the performance of such providers in relation to their obligations under this Act, and enforcement of those obligations as provided for in this section.

(b) If a Health Care Corporation or nonaffiliated provider complies with the procedures set forth in sections 1863 through 1865 of the Social Security Act, such provider shall be deemed to meet the standards relating to comparable elements established by this Act and regulations thereunder.

(c) (1) (A) Whenever the State Health Commission determines that there is a failure on the part of an approved Health Care Corporation (whether owing to its own acts or omissions or those of a provider furnishing services on its behalf) to fulfill all obligations assumed by the corporation or placed upon it by this Act, the commission shall by order direct the corporation to take prompt corrective action.

(B) If the corporation, within such reasonable period as may be required by the commission by regulation, requests a hearing on the commission's order and states reasonable grounds for objecting to the decision, the commission shall give the corporation reasonable notice and opportunity for a hearing with respect to the commission's decision and, if a hearing is held, shall on the basis of the record at the hearing render a decision, subject to such judicial review on the record as may be provided by applicable State law. Initiation of a proceeding for judicial review shall not operate as a stay of the commission's decision unless so ordered by the court.

(2) Notwithstanding paragraph (1), where the failure of a Health Care Corporation to comply with its obligations is so gross as in the judgment of the commission to create an imminent hazard to the health of registrants, the commission may give its order immediate effect, subject to later reversal or modification if so determined after hearing or after judicial review.

(3) In addition to the authority of the commission to order corrective action to be taken as above provided, the State plan shall, in the event of a substantial failure of the corporation to fulfill its obligations, empower the commission, after reasonable opportunity for a fair hearing, (A) to revoke its certificate of approval for operation by the corporation and issue for the service area involved a certificate of approval to another Health Care Corporation, or corporations, or (B) in lieu of such revocation, to take effective action (through appointment of a receiver for the corporation or other appropriate means) to bring the corporation into compliance with its obligations and provide its registrants with the health care services to which they are entitled. The order of the commission shall, when final, be subject to judicial review in a State court of competent jurisdiction on the basis of the record before the commission, and the findings of fact of the

commission shall, if supported by substantial evidence in the record when considered as a whole, be binding on the court.

(d) The commission is authorized to take corrective action whenever it determines that any provider not affiliated with a Health Care Corporation has failed to fulfill the obligations set forth in this Act, this action to include suspension of payment for services performed under Comprehensive Health Care Benefits. The appeal procedures outlined in subsection (c) shall apply with respect to action taken under this subsection.

#### JUDICIAL REVIEW

SEC. 137. (a) Any State that is dissatisfied with a final action of the Secretary taken under section 138 (other than subsection (c) (3) thereof) may obtain judicial review of such action by filing, within sixty days after such action, a petition for review with the United States court of appeals for the circuit in which the State is located. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which it based its action, as provided in section 2112 of title 28, United States Code. Upon the filing of the petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record the Secretary may modify or set aside its order.

(b) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

#### FEDERAL EXERCISE OF STATE FUNCTIONS IN CASES OF NONCOMPLIANCE BY STATES

SEC. 138. (a) In the case of any State which has not established a State Health Commission in conformity with section 132, and submitted to the Secretary an approvable State plan pursuant to section 134, prior to the third fiscal year that begins after the calendar year in which this Act is enacted, the Secretary may, until such a State plan has been submitted to and approved by him under this title, assume and exercise, through the Department of Health, Education, and Welfare, with respect to the area of that State, those functions which would be required or authorized by this title to be exercised by the State Health Commission of that State if there were in effect a State plan approved under his title, and may utilize for that purpose any funds available under this title for payments for the administration of State plans. In any case in which the Secretary invokes the authority contained in the preceding sentence, any State law or practice that under section 134(c) would preclude approval of a State plan under this title shall be inoperative.

(b) (1) The Secretary shall not finally refuse to approve a State plan submitted to it under this title except after according to the State reasonable notice and opportunity for hearing.

(2) If, at the scheduled expiration of the effective period of approval of a State plan, there is pending before the Secretary an ap-

plication of the State for renewal of the approval, the Secretary may, by order, temporarily postpone the scheduled expiration date until its decision on the application for renewal.

(c) (1) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State Health Commission administering a State plan approved under section 134(c), determines—

(A) (i) that the plan has been so changed that it no longer complies with the provisions of section 134(b), including any provision of this title incorporated therein by reference, or (ii) that in the administration of the plan there is a failure to comply substantially with any such provision;

(B) that there is a failure to comply with any requirement of section 132; or

(C) that the State law or practice is such as, under the provisions of section 134(c), would preclude approval of the plan;

the Secretary shall by order withdraw approval of the plan and withhold further payments under section 134(e) (or, in the Secretary's discretion, suspend approval as to the part or parts of the plan affected by a failure determined under clause (A) or (B) of this paragraph and limit payments to those payable with respect to other parts), until the Secretary is satisfied that there will no longer be any such failure to comply or, in a case described in clause (C), until the plan is approvable under section 134(c), and shall forthwith notify the Commission of the order.

(2) If in the judgment of the Secretary it would better promote the purposes of this title to do so, he may postpone the effective date of his order under paragraph (1) for such reasonable period as he finds appropriate to allow necessary time for compliance with the requirements of this title.

(3) In addition to or in lieu of issuing an order pursuant to paragraph (1), the Secretary may request the Attorney General to institute a civil action by the United States against the State to enforce the requirements of this title.

(4) Whenever the Secretary has withdrawn approval of a State plan pursuant to paragraph (1), he may, with regard to the State involved, exercise the functions and use the funds referred to in subsection (a).

#### COOPERATIVE INTERSTATE ACTIVITIES AND UNIFORM LAWS

SEC. 139. (a) The Secretary (1) shall encourage and assist the States and their State Health Commissions in carrying out cooperatively with other States their respective functions in accordance with part C, including the making of agreements between States for that purpose with respect to the establishment, admission (into jurisdictions other than those of incorporation), and approval of Health Care Corporations, the establishment of joint health care areas and assignment of such corporations thereto, the exchange of information, and other matters, and (2) shall develop and encourage the enactment of model State legislation in the fields covered by this title.

(b) The consent of the Congress is hereby given to any two or more States to enter into agreements of the kinds referred to in subsection (a), not in conflict with any provision of this Act or regulation of the Secretary thereunder or with any other law or treaty of the United States.

#### OTHER ADMINISTRATIVE PROCEDURES

SEC. 140. (a) Effective on and after the effective date of part A of title II of this Act, the Secretary is authorized and directed, notwithstanding any provision of title V of the Social Security Act, to provide by regulation for limiting the use (directly or indirectly) of Federal funds under title V of the Social Security Act for personal health services and items (or for reimbursement for expenditures for such services or items) in participating States (as defined

in section 134(d)(2) of this Act) in such manner as will avoid to the maximum extent practicable the use of such funds for personal health services or items for individuals to the extent that these individuals are entitled under section 202(b) of this Act to Comprehensive Health Care Benefits coverage for like services and items.

(b) (1) Section 505(a)(2) of the Social Security Act is amended (A) by striking out "State health agency" the first time these words occur and inserting in lieu thereof "State Health Commission (established in accordance with section 131 of the National Health Care Services Reorganization and Financing Act)", and (B) by striking out "State health agency" the second time these words occur and inserting in lieu thereof "State Health Commission".

(2) The amendments made by paragraph (1) shall, with respect to any State, become effective on the date on which the State becomes a participating State (as defined in section 134(d)(2) of this Act).

#### PART D—HEALTH CARE CORPORATIONS INCORPORATION AND STATE APPROVAL

SEC. 141. (a) A Health Care Corporation is a nonprofit private or governmental corporation which (1) is organized for the purpose of furnishing (through its own facilities and personnel or through other providers, nonprofit or for-profit) comprehensive and coordinated personal health services to persons registered with the corporation, furnishing personal health services to other persons to the extent authorized by this title, and engaging in educational, research, and other activities related or incidental to the furnishing of personal health service; and (2) provides (or will provide after the persons registered with the corporation furnishing personal equitable representation, on its governing board, of the registrants with the corporation and of the affiliated institutional and professional providers furnishing services on its behalf.

(b) A Health Care Corporation is eligible, for the purposes of this title to furnish services in a State only if it is approved by the State Health Commission of the State, for operation in an approved service area or areas of the State (under the provisions of the State plan in accordance with sections 135 and 136), upon a finding by the commission (1) that the corporation conforms to the provisions of subsection (a), (2) that it has an adequate organization under professionally competent management, and adequate resources in facilities and personnel (including resources available to it through contracts with affiliated providers), to meet the requirements of this part and of regulations prescribed thereunder and requirements prescribed by the State Health Commission, and (3) that it has given assurances (including assurances of financial responsibility), satisfactory to the commission, that in operation it will meet all such requirements.

#### REGISTRATION WITH HEALTH CARE CORPORATIONS

SEC. 142. (a) A Health Care Corporation shall, in accordance with regulations of the State Health Commission—

(1) register with the corporation all persons (or such number of persons as may be required by the commission pursuant to section 136(a)(4)), resident in the service area approved for it by the commission, who apply for such registration during a period of open registration fixed by the commission, or apply therefor after termination of registration with another corporation pursuant to subsection (e);

(2) make all reasonable efforts, on a continuing basis, to procure the registration of persons resident in the area who, having failed to apply for registration, have been assigned by the commission to the corporation for recruitment; and

(3) within its capacity to furnish services, register with the corporation all persons as-

suming residency in the approved service area after the end of the period of open registration fixed under paragraph (1).

(b) Within its capacity to furnish services and with the approval of the commission, the corporation may recruit and register persons (whether or not residents of the area) whom it is not required by subsection (a) to recruit or register.

(c) In such cases and such manner as may be specified in regulations of the Secretary, a registrant may effect registration on behalf of his or her spouse and children under 19 years of age.

(d) The corporation shall make available, and shall employ all reasonable means to disseminate throughout its approved service area, full information about its operations, including descriptions of the services it furnishes and places where they are furnished, and including information about the methods and times of registration; and information about the benefit coverages (both those purchased by the Secretary and others) available to residents of the area, and the methods of obtaining such coverage. It shall assist registrants and applicants for registration to establish entitlement to coverage purchased by the Secretary under section 202, and to obtain other coverage as appropriate.

(e) Registration with a Health Care Corporation shall be effective for a period of twelve months, except that a registrant may terminate his registration if he changes his place of residence or for such other cause as may be approved by the State Health Commission.

#### UNDERTAKING TO FURNISH SERVICES

SEC. 143. (a) A Health Care Corporation shall assume responsibility for making available and furnishing to each registrant with the corporation, and to any other person to the extent required by regulations of the Secretary, all services for which he has Comprehensive Health Care Benefits coverage and which are medically necessary (or, in the case of health maintenance services, medically appropriate). The acceptance of a registration shall constitute an obligation of the corporation to the registrant to furnish all such services, either through the facilities and personnel of the corporation, through affiliated providers meeting the requirements of subsection (b), or through other providers in accordance with subsection (c).

(b) Services may be provided through an affiliated provider who, by contract with the Health Care Corporation, has undertaken (1) to furnish on behalf of the corporation a portion of the services for which the corporation is responsible, and (2) to cooperate and (to the extent practicable) participate in discharging all other responsibilities of the corporation under this part. Affiliated providers may be hospitals, extended care facilities, nursing homes, or home health service agencies (hereafter referred to collectively as "institutional providers"); physicians, dentists, podiatrists, or optometrists; combinations of the foregoing, such as partnerships, clinics, or group practice organizations, which may include appropriate allied health professionals and technical or other supporting personnel; or other providers of kinds designated in regulations of the Secretary. The services of an affiliated provider may, but need not, be furnished exclusively on behalf of one Health Care Corporation. A provider may be affiliated with two or more Health Care Corporations, but in the case of an affiliated institutional provider shall designate one affiliation as the provider's primary affiliation for the purpose of maintaining quality of services, control over the utilization of services, and continuing appraisal of the effectiveness of services.

(c) Drugs, devices, appliances, and equipment may be furnished to outpatients, and ambulance and other emergency transportation services may be furnished, through providers not affiliated with the corporation, under arrangements which the commission finds

assure adequate availability of such items and services. Medical and other services of specialized nature, which the commission in accordance with regulations of the Secretary finds cannot practicably be furnished by a Health Care Corporation or its affiliated providers, may be furnished through arrangements with or referral to other Health Care Corporations or other providers.

(d) The organization of the services furnished by or on behalf of the corporation shall emphasize health maintenance (including health education) of registrants, assure continuity of care and referral of patients to such services and at such times as may be medically appropriate, and to the greatest extent possible provide care on an outpatient basis. All services shall be made as readily available as is practicable to all registrants within the approved service area of the corporation, and the corporation shall (in accordance with regulations of the Secretary) maintain a system of scheduling periodic health maintenance services for each registrant and reminding him thereof. Outpatient care shall be furnished in centers and physicians' offices conveniently accessible throughout the area. Emergency care, including ambulance service within the approved service area of the corporation, shall be available at all times.

(e) The corporation shall as rapidly as practicable develop, by affiliation with existing organizations or otherwise, a system of outpatient care centers throughout its approved service area, utilizing hospital medical staffs and other physicians practicing in the area, and staffing the centers with physicians, appropriate allied health professionals, and other ancillary personnel to furnish primary medical care. To the extent practicable, the corporation shall also furnish through or in conjunction with such centers health maintenance services and community-based services such as home care, medical social services, and the services of well-baby clinics and mental health clinics. Centers shall be so related to institutional or other providers as to assure the availability of necessary laboratory and other diagnostic services, and the ready referral and transfer of patients to facilities providing more comprehensive services when medically necessary or appropriate.

(f) Whenever services for which the corporation is responsible under subsection (a) are furnished by another Health Care Corporation to a registrant who is absent from his place of residence, or are furnished in an emergency by any provider (wherever situated) who is not affiliated with the corporation or acting under arrangements with it, the corporation shall review a report of the services rendered and the charge therefor and shall submit it to the carrier responsible for its payment; or, if it is itself the carrier or is other responsible for payment, shall pay the charge. This subsection shall not be applicable in the case of a registrant who, otherwise than pursuant to arrangement by the corporation, has left his place of residence for the purpose of obtaining health services.

(g) The corporation shall so far as practicable furnish necessary emergency health services to persons not registered with it, and may furnish other services to such persons when it can do so without interference with services to its registrants.

#### QUALITY OF SERVICES

SEC. 144. (a) A Health Care Corporation shall assume responsibility (1) for the quality of all services furnished by it either through its own facilities and personnel or by providers affiliated or acting under arrangements with it, and for compliance with standards of quality and comprehensiveness prescribed by the Secretary, (2) for maintaining controls upon the utilization of all such services, (3) for continuing appraisal, through medical audits and otherwise, of the effectiveness of such services,

and (4) for identifying problem areas requiring planning for additional services. For these purposes the corporation shall maintain a system (approved by the commission) of comprehensive peer review by a group or groups of physicians (and a group or groups of dentists in the case of dental services) providers and their staff, embracing services furnished by affiliated providers as well as services furnished directly by the corporation, and shall require similar review by a staff committee or committees of each hospital and extended care facility affiliated with it. The corporation shall, through an appropriate staff committee or committees maintain a program of continuing professional education of physicians, dentists, and nurses (and, to the extent the corporation deems desirable, of other professional personnel) furnishing services on its behalf.

(b) All medical policies of the corporation shall be established with the advice of physicians, and all dental policies with the advice of dentists. All medical judgments related to health care shall be made by or under the supervision of physicians, and all dental judgments by or under the supervision of dentists.

(c) The corporation shall encourage the participation of physicians in all aspects of its policy-formulation and operation (including budget review), both in administrative and in advisory capacities.

#### PARTICIPATION OF PROFESSIONAL PRACTITIONERS

SEC. 145. (a) Within the limits of its need for physicians, dentists, podiatrists, and optometrists (hereafter referred to collectively as "practitioners"), and so far as is consistent with the furnishing of the highest practicable quality of care, a Health Care Corporation shall provide opportunity to all practitioners practicing in its approved service area to furnish services on its behalf, either (at the election of the corporation) as members of its professional staff or as affiliated providers. It shall fix, and review annually, the scope of services which each practitioner may so furnish, in accordance with his training, experience, and professional competence as determined, pursuant to rules of the corporation, through peer review of his credentials and performance. A practitioner who desires to enlarge the scope of services assigned him shall be assisted through in-service training in acquiring added experience and professional competence, and his assigned scope of service shall be reconsidered from time to time.

(b) In selecting practitioners to furnish services on its behalf and in fixing the scope of services which each may furnish, the corporation shall not discriminate on any ground unrelated to professional qualifications; but in carrying out the purpose of subsection (a) in its initial recruitment of practitioners the corporation may give preference, as between equally qualified persons, to those who at the time are practicing in its approved service area.

(c) The corporation shall so organize the services furnished by practitioners on its behalf as to meet the purposes of sections 143 and 144. To the extent consistent with such organization it shall permit each practitioner to elect the form or forms of practice (individual office practice, group practice, or other form of practice) in which he wishes to engage.

#### CHARGES BY HEALTH CARE CORPORATIONS AND OTHER PROVIDERS

SEC. 146. (a) All charges by a Health Care Corporation or other provider for health services shall be made at rates fixed by the corporation or other provider prospectively for a twelve-month period and approved by the commission. Rates so approved may be revised before the end of the period only on the basis of events, occurring subsequent to the approval, which the commission finds (1) could not reasonably have been foreseen at the time of approval, and (2) will, if the

rates are not revised, impose severe financial hardship on the corporation or other provider.

(b) Such charges shall consist either of an annual amount for each registrant or registrant family (hereafter referred to as a "capitation amount"), or of itemized charges for separate services or units of service for registrants or patients. With the approval of the commission, the corporation or other provider may use one method of determining charges for some services or with respect to some registrants or patients and the other method for other services or with respect to other registrants; except that after three years of operation a Health Care Corporation must submit to the State Health Commission a plan to commence two years thereafter for offering capitation rates to its registrants who choose to purchase coverage directly from the corporation. Except for reasonable variations (in accordance with regulations of the Secretary) based on the size and composition of families, capitation amounts shall be uniform for all registrants to whom they are applicable, other than registrants having coverage under contracts purchased by the Secretary.

(c) Charges of the corporation or other provider, by whichever method determined, shall be at rates estimated to be sufficient for the twelve-month period to meet the financial requirements of the corporation or other provider, as reflected in its budget for the period, to enable it to fulfill its responsibilities under this part. The financial requirements shall be determined in accordance with regulations, and with systems of accounting, prescribed by the Secretary under section 112(b).

(d) The corporation and the commission, in developing and reviewing the budget of the corporation and the rates to be paid to other providers, and in reviewing the budgets of any affiliated providers, shall seek to assure that adequate services are available to registrants of the corporation without unnecessary duplication or other excessively costly or excessive services.

#### CONTINUING PERSONAL HEALTH RECORD

SEC. 147. (a) In a manner consistent with the requirements relating to confidentiality in subsection (d), a Health Care Corporation shall develop, and keep current, a continuing personal health record for each registrant of the corporation, in such form, consistent with regulations of the Secretary, as may be required by the commission for the purposes (1) of making medical histories and other pertinent data readily available to the medical and other staff of the corporation and its affiliated providers; and (2) of enabling the corporation to meet requirements of the commission for gathering and reporting health care statistics, including statistics on the utilization and cost of health services.

(b) The corporation shall, to the greatest extent practicable, equip its facilities, and assure that facilities of its affiliated providers are equipped, for the prompt transmission, to appropriate members of the staffs of all such facilities, of the personal health records of its registrants.

(c) Whenever a registrant with one Health Care Corporation transfers his registration to another such corporation, his personal health record shall be transferred to the latter corporation. To such extent as may be required by regulations of the Secretary, a Health Care Corporation shall make available to other Health Care Corporations, and other providers (not affiliated with it), who furnish emergency or other health services to its registrants, information from the personal health records of the registrants.

(d) Personal health records, information contained therein, and other information concerning individual registrants or applicants for registration shall be used or disclosed, without the consent of the individual, only (1) in accordance with this section, or

(2) for purposes necessary to the administration of the Health Care Corporation, the State plan, or any benefit coverage pursuant to this title. Any person who violates any provision of this subsection shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not exceeding \$1,000, or by imprisonment not exceeding one year, or both.

#### PARTICIPATION BY REGISTRANTS; HEALTH EDUCATION

SEC. 148. (a) A Health Care Corporation shall establish methods by which (in addition to their representation on its governing board) registrants may express their views with regard to the policies and operation of the corporation, the health needs of the community, and the need for any modification or expansion of the services furnished by the corporation. The corporation shall take all practicable steps to assure that this opportunity is readily available to all substantial groups (geographic, economic, or other) of registrants, and to the extent practicable, to individual registrants. The corporation shall establish an advisory committee representative of registrants in general, and subcommittees or separate committees representative of any groups whose interests may differ materially from those of other registrants. Through such committee or committees, the corporation shall seek a continuing evaluation by its registrants of its program and performance.

(b) In a manner consistent with the purpose of assuring that individuals are responsible for protecting their own health and for learning to utilize the health services available to them in the most effective manner, the corporation shall undertake a program of continuing health education, with special emphasis directed toward low-income and medically indigent registrants. The program shall be designed and conducted with the advice and participation of representatives of the registrants, for the purpose of overcoming lack of information and correcting misinformation on the part of registrants about personal health matters, encouraging their interest in healthful living, proper nutrition, and the avoidance of illness, and enabling them to make more responsible and effective use of health maintenance services and, when illness occurs, of the diagnostic and therapeutic services available to them. Corporations shall provide, to registrants in need thereof, assistance in overcoming language or educational handicaps in obtaining access to health care. In carrying out this subsection the corporation shall collaborate with governmental and private agencies engaged in community-wide health education.

#### NONDISCRIMINATION; COMPLAINTS

SEC. 149. (a) In recruitment and registration a Health Care Corporation shall not discriminate on the ground of race, creed, color, national origin, age, sex, occupation, economic status, or condition of health. Subject to such differentiations as are medically necessary or appropriate or are specifically authorized by this title the corporation and other providers shall not discriminate on any of the foregoing grounds in furnishing services on behalf of the corporation.

(b) The corporation shall establish adequate procedures for the receipt and disposition of complaints by registrants with respect to services furnished them, failure to furnish services or to pay for services furnished by others, or the propriety of charges made by the corporation; and complaints by persons whose applications for registration have been refused. The corporation shall, to such extent and in such form as may be required by the commission, maintain records of such complaints and of their disposition, and shall make such records available for inspection by the commission.

(c) The corporation shall establish adequate procedures for the settlement of dis-

putes with affiliated providers, with other providers having arrangements with the corporation for the furnishing of health care to its registrants, and with nonaffiliated providers.

#### RESPONSIBILITIES FOR MANPOWER AND FOR RESEARCH

SEC. 150. (a) A Health Care Corporation shall coordinate among its own staff and the staffs of its affiliated providers determination of the needs for the several classes of health personnel, and the recruitment and allocation of such personnel; shall set qualification and performance standards for such personnel, which shall at least equal standards established or recommended by recognized professional organizations; and shall conduct within its own organization and encourage in its affiliated providers such programs of inservice training as it finds necessary or useful in meeting manpower needs, improving the quality of care, and promoting upward mobility within the several health professions and occupations. To the extent permitted by the law of the State in accordance with section 134(c)(4), and consistent with regulations of the Secretary and good professional practice, the corporation shall encourage the use of physician assistants, allied health professionals, and other ancillary personnel, under appropriate professional supervision, to increase the productivity of its medical and dental staff and of affiliated providers and their staffs.

(b) The corporation, in addition to a continuing evaluation of its own performance, shall engage or participate in planning for additional services to respond to identified problem areas and in continuing research concerning the organization and methods of delivery of health services, and concerning their quality, effectiveness, and cost. The results of such research shall be made available to the commission and the Secretary for such dissemination as the commission or Secretary may deem proper.

#### RECORDS AND REPORTS

SEC. 151. A Health Care Corporation shall keep such records, and on behalf of itself and its affiliated providers make such reports to the commission, as the commission, in accordance with regulations of the Secretary, shall require with respect to financial matters, the utilization of services, the results of peer review of quality, and other matters; and shall require that its affiliated providers keep such records and furnish it with such information as may be necessary for this purpose. The corporation and its affiliated providers shall make the records required pursuant to this section available for inspection by representatives of the commission when necessary for the purpose of verification of such reports.

#### PART E—SPECIAL STUDY OF METHODS FOR MEETING SUPPLEMENTAL CAPITAL NEEDS OF HEALTH CARE CORPORATIONS AND RELATED HEALTH CARE ORGANIZATIONS

##### FINDINGS AND PURPOSE

SEC. 161. The Congress finds that existing health care institutions in the United States have traditionally obtained their funding for health resource development from a variety of sources, including public subscription, Federal grants, third-party reimbursement, borrowing, and local bond issues, with the result that the funding of such institutions has been neither adequate, consistent, coordinated, nor equitably distributed. It is the purpose of this part to provide for the development of a more rational approach for supplying the supplemental capital and other funding needed by the health care industry in order to assure a more rational distribution of funds and thereby to meet more effectively the health care needs of the nation without causing undue cost to individuals in communities which have the greatest health needs.

## SPECIAL STUDY

SEC. 162. (a) The National Health Services Advisory Council (hereinafter in this section referred to as the "Council"), established by section 113 of this Act, shall conduct a full and complete study and investigation of methods for supplying supplemental capital and other funding for Health Care Corporations and related health care organizations in the United States, with the objective of developing a national program for supplying such funding, giving special emphasis to areas of high priority health care needs both rural and urban, which will effectively carry out the purpose of this part.

(b) In conducting its study and investigation under subsection (a), the Council shall give particular consideration to the development of a program which—

(1) establishes and utilizes, as its basic source of funds, a national trust fund consisting of any or all of the following: (A) a designated portion of the premiums or on a designated portion of the premiums collected for Comprehensive Health Care Benefits coverage, (B) a tax on such premiums or on such premiums and all other premiums paid for health insurance coverage, (C) appropriated funds, and (D) amounts received from other sources, public or private;

(2) provides for the distribution of amounts in the trust fund to State Health Commissions in a manner reflecting population, per capita income, and health care needs, for allocation by such Commissions within their respective States to Health Care Corporations and other health care organizations, in the form of grants, loans, or combined grants and loans, on the basis of per capita income, urgency of health care needs in the light of available or potentially available health care resources, and other factors calculated to assure the concentrated expenditure of the available funds in high need areas;

(3) recognizes the need for adequate planning for health care services and facilities, and makes such planning a condition of assistance;

(4) encourages and facilitates the continuing provision of funds for these purposes from sources other than the trust fund, and effectively coordinates the utilization of the amounts provided from such other sources with the amounts distributed from the trust fund;

(5) leaves to each State Health Commission, under general regulations of the Secretary, the determination of how the funds distributed to such Commission are to be allocated and utilized within the State which it represents; and

(6) contains or is subject to such other provisions, conditions, and limitations as may be necessary or appropriate to assure that the purpose of this part will be effectively carried out.

(c) (1) The Council shall submit to the Secretary, for transmission to the Congress no later than one year after the effective date of this Act as specified in section 301(a), a full and complete report of its study and investigation under this section together with its findings and recommendations and with detailed specifications for any legislation which it finds may be required to carry out such recommendations. The Secretary, in transmitting such report to the Congress shall include his own comments thereon and his views with respect to the Council's legislative recommendations and specifications.

(2) The special study and investigation conducted by the Council under this section shall be independent of the studies made by the Secretary under section 114; and the report of the Council under this section shall be separate and distinct from its annual report under section 113(c).

## TITLE II—FINANCING OF NATIONAL HEALTH SERVICES

## SHORT TITLE

SEC. 200. This title may be cited as the "National Health Care Services Financing Act".

## PART A—EMPLOYER REQUIREMENTS AND ENTITLEMENTS TO BENEFITS

## REQUIREMENT OF COMPREHENSIVE HEALTH CARE BENEFITS COVERAGE FOR EMPLOYEES

SEC. 201. (a) Title II of the Social Security Act is amended by adding at the end thereof the following new section:

## "REQUIREMENT OF COMPREHENSIVE HEALTH CARE BENEFITS COVERAGE FOR EMPLOYEES

"SEC. 232. (a) Under regulations prescribed by the Secretary of Health (subject to subsection (b)), every person who is an employer within the meaning of this title shall be required—

"(1) during the period beginning on the transitional effective date specified in section 301(c) of the National Health Care Services Reorganization and Financing Act and ending on the day before the effective date specified in section 302 of such Act, to provide benefits under such Act equivalent to the hospital insurance benefits available under part A of title XVIII of this Act and the supplementary medical insurance benefits available under part B of such title, and in addition to provide Catastrophic Expense Benefits coverage under and in accordance with section 25 of the National Health Care Services Reorganization and Financing Act, for each of his employees (performing employment for him within the meaning of section 210(a) of this Act) and for the members of the family of each such employee; and

"(2) from and after the effective date specified in section 302 of the National Health Care Services Reorganization and Financing Act, to provide Comprehensive Health Care Benefits coverage (as provided or made available under such Act) to each such employee and for the members of the family of each such employee. "(b) The provisions of subsection (a) shall not apply—

"(1) (A) with respect to any employer which is the United States, a State or political subdivision thereof (notwithstanding any agreement entered into under section 218), or any agency or instrumentality of one or more of the foregoing, or any other employer all of the services performed for which are excluded from 'employment' by one or more of the numbered paragraphs of section 210(a); or

"(B) in any case where the employed member of a family has two or more employers, or where two or more members of the family each have one or more employers, with respect to any such employer other than the one whose total taxes paid under section 3111(a) of the Internal Revenue Code of 1954 on account of the employment of such member or members is greatest; or

"(2) with respect to any employee (or member of an employee's family) who is entitled to health insurance benefits under title XVIII.

"(c) (1) The Secretary shall reimburse any employer to whom subsection (a) applies for any amount by which such employer's share of the average premiums payable for the coverage of his employees to whom such subsection applies during any period exceeds (A) 4 percent of the average wages per employee paid by such employer to such employees for such period, multiplied by (B) the number of such employees (not in excess of ten).

"(2) The Secretary shall prescribe regulations for purposes of this subsection relating to the period for determining the number of employees of an employer, the wages of the

employees, and the premiums payable under the National Health Care Services Reorganization and Financing Act, as well as the method for determining such wages (and the average thereof) and the cases in which payment may be made to a payee other than the employer.

"(3) Payments by the Secretary pursuant to this subsection shall be made in advance or by way of reimbursement, at such times, in such manner, and in such installments as the Secretary shall determine to be appropriate.

"(d) For purposes of this section the employer's contribution must be at least the actuarial equivalent of 75 percent of the premium cost of the coverage provided by him for his employees as required by subsection (a). The requirement for an employer's contribution shall not in any way prohibit the employee from choosing to register with a Health Care Corporation operating in whole or in part on a capitation basis.

"(e) In any case where an individual who is a low-income person or a member of a low-income family, or who is a medically indigent person or a member of a medically indigent family, is provided with Comprehensive Health Care Benefits coverage by an employer under this section, and in connection therewith is required to make a contribution toward the premium cost of such coverage which exceeds the amount of the premium contribution which he would be required to make under section 206 of the National Health Care Services Reorganization and Financing Act if he were entitled to such coverage under section 202 of that Act rather than under this section, such individual shall be entitled, upon application therefor filed at such time and in such manner and form as the Secretary shall by regulations prescribe, to a premium contribution refund in the full amount of such excess.

"(f) The period of coverage of any employee whose employment is involuntarily terminated shall extend from the date of such termination until the employee becomes eligible for unemployment compensation benefits or until the expiration of 14 days from such termination, whichever first occurs."

(b) Title IX of the Social Security Act is amended by adding at the end thereof the following new section:

## "REQUIREMENT OF COMPREHENSIVE HEALTH CARE BENEFITS COVERAGE FOR INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION BENEFITS

"SEC. 906. Every individual who is receiving benefits under any Federal or State unemployment compensation law, and the members of his family, shall be entitled under the National Health Care Services Reorganization and Financing Act (while such individual is eligible for and receiving such benefits)—

"(1) during the period beginning on the transitional effective date specified in section 301(b) of the National Health Care Services Reorganization and Financing Act and ending on the day before the effective date specified in section 302 of such Act, to coverage in the form of (A) benefits under such Act equivalent to the hospital insurance benefits available under part A of title XVIII of this Act and the supplementary medical insurance benefits available under part B of such title, and (B) Catastrophic Expense Benefits coverage under and in accordance with section 225 of the National Health Care Services Reorganization and Financing Act; and

"(2) from and after the effective date specified in section 302 of the National Health Care Services Reorganization and Financing Act, to Comprehensive Health Care Benefits coverage as provided or made available under such Act.

The Secretary of Labor, in accordance with regulations prescribed in consultation with the Secretary of Health, Education, and Welfare, shall purchase such coverage for, and determine the methods by which (and the terms and conditions under which) it is to be made available to, such individuals and members. There are authorized to be appropriated to the Secretary of Labor such sums as may be necessary to carry out this section."

ENTITLEMENT TO BENEFITS FEDERALLY SUBSIDIZED

SEC. 202. (a) Every individual who is a resident of the United States shall, as provided in this section and under the conditions and to the extent otherwise specified in this part, be entitled—

(1) in cases specified in subsection (b), to coverage for Comprehensive Health Care Benefits (as described in this part) contracted for by the Secretary, or

(2) in cases specified in subsection (c), to a Federal contribution to the premium cost of coverage for such benefits under an approved insurance contract or prepayment plan to which the Secretary is not a party.

(b) Such an individual shall be entitled to such coverage contracted for by the Secretary with a carrier under section 117, with respect to any period for which he is not provided with Comprehensive Health Care Benefits coverage by an employer under section 232 of the Social Security Act, if he—

(1) has attained the age of 65, or

(2) is under 65 but is a low-income person or a member of a low-income family, or

(3) is under 65 but is a medically indigent person who complies, or a member of a medically indigent family which complies, with the requirement of section 206 with respect to contributions to premiums for such coverage.

(c) (1) Every other individual referred to in subsection (a) who is registered with an approved Health Care Corporation in a participating State, or with any other organization providing comprehensive health care and services which is engaged in the delivery of such care and services to a defined population group established through open enrollment and has demonstrated such standards as the Secretary may prescribe in order to assure that it will be operated and its services delivered in an effective manner consistent with the purposes and provisions of this Act, shall be entitled to a Federal subsidy of 10 percent of the amount of premium charged by a qualified carrier (as determined under section 232) at an approved group rate for prepaid coverage of the individual for Comprehensive Health Care Benefits under an approved insurance contract or prepayment plan to which the Secretary is not a party. Payments under this subsection shall, upon certification by the Secretary, be made to the carrier.

(2) As used in this subsection, (A) the term "approved group rate" means a group rate prescribed or approved (for the coverage referred to in paragraph (1)) by the State Health Commission (or its delegate agency) under the State plan (approved under part C of title I) of the participating State of which the individual concerned is a resident or, in the case of coverage under an employer plan, the State in which the individual is employed; (B) the term "approved insurance contract or prepayment plan" means an insurance contract or prepayment plan that is approved by the Secretary under section 234; and (C) the term "premium" does not include special premiums payable, in accordance with the provisions referred to in section 234, by a registrant to a carrier to cover the copayment component of capitation charges paid by the carrier to the registrant's Health Care Corporation.

(3) If the coverage of the insurance contract or prepayment plan for an individual (or an individual and his family) entitled to a contribution under paragraph (1) includes Comprehensive Health Care Benefits but also includes benefits greater than those required for Comprehensive Health Care Benefits coverage and a combined premium rate is charged by the carrier for the total coverage, the Federal contribution payable under paragraph (1) shall be based on that portion of the total premium which, in accordance with actuarial principles, is attributable to coverage for Comprehensive Health Care Benefits for that individual (or him and his family) and shall be determined in accordance with regulations of the Secretary.

(4) Entitlement to a contribution under paragraph (1), and the amount thereof, shall be determined without regard to whether the cost of the remainder of the premium is borne (or whether in the absence of that contribution the cost of that portion of the premium which is equal to the contribution would be borne) by the covered individual, by his employer, or by any other person or agency.

(d) For definitions of "low-income person", "low-income family", "medically indigent person", "medically indigent family", and "family", see sections 203 through 205.

INCOME CLASSES

SEC. 203. (a) For purposes of this part—

(1) the terms "low-income person" and "low-income family" means, respectively, a single individual or family in income class 1;

(2) the terms "medically indigent person" and "medically indigent family" mean, respectively, a single individual or family in income class 2, 3, or 4;

(3) all persons or members of families not in income class 1, 2, 3 or 4 are classified as being in income class 5;

(4) the term "income class", with respect to a single individual or a family, means for any coverage year the individual's or family's income class as determined by application of—

(A) the table set forth in subsection (b) of this section, or

(B) if containing higher dollar amounts, the redetermined income class table promulgated by the Secretary for that year under section 204; and

(5) the term "single individual" means an individual who is not a member of a "family" within the meaning of section 205.

(b) (1) The income class table referred to in subsection (a) (4) (A) is as follows:

TABLE OF INCOME CLASSES—FAMILY SIZE AND INCOME RANGES

Col. I	Col. II	Col. III
Income class	Single individual	Family of 2
1.	0 to \$2,000.	0 to \$3,000.
2.	\$2,001 to \$3,000.	\$3,001 to \$4,500.
3.	\$3,001 to \$4,500.	\$4,501 to \$6,000.
4.	\$4,501 to \$6,000.	\$6,001 to \$7,500.
5.	Above \$6,000.	Above \$7,500.

Col. I	Col. IV	Col. V
Income class	Family of 3	Family of 4 or more
1.	0 to \$4,500.	0 to \$6,000.
2.	\$4,501 to \$6,000.	\$6,001 to \$7,500.
3.	\$6,001 to \$7,500.	\$7,501 to \$9,000.
4.	\$7,501 to \$9,000.	\$9,001 to \$10,500.
5.	Above \$9,000.	Above \$10,500.

PERIODIC REVISION OF INCOME CLASSES

SEC. 204. (a) Not later than December 31 of each calendar year (after the year in which this Act is enacted), the Secretary shall, in accordance with subsection (b), redetermine and promulgate—

(1) the dollar amounts in the table of income classes under section 203(b);

(2) the amounts of annual premium contributions to be required of medically indigent persons and medically indigent families under section 206;

(3) the dollar amounts of copayments under section 222; and

(4) for Catastrophic Expense Benefits, the dollar amounts for the special-expenditure limits under section 225.

(b) The redetermined amounts shall be the same as the amounts specified in the respective sections cited in subsection (a) unless the average of the Consumer Price Index for the months of July, August, and September of the calendar year in which the redetermination is made exceeds by 3 percent or more the average of that index for the corresponding months of the year in which this Act is enacted. In the latter event, the Secretary shall adjust each of the amounts so specified by increasing it by the same percentage as the percentage increase (referred to in the preceding sentence) in the average of the Consumer Price Index, after rounding the latter percentage to the nearest multiple of 0.1 percent (or to the next higher multiple if the percentage is an odd multiple of 0.05 percent) and rounding each dollar amount so obtained—

(1) for the table of income classes, to the nearest multiple of \$100 (or to the next higher multiple if the amount to be rounded is an odd multiple of \$50),

(2) for premium contributions to be made by medically indigent persons and medically indigent families, to the nearest multiple of \$10 (or to the next higher multiple if the amount to be rounded is an odd multiple of \$5),

(3) for copayments, to the nearest multiple of 25 cents (or to the next higher multiple if the amount to be rounded is an odd multiple of 12½ cents), and

(4) for the special-expenditure limits for Catastrophic Expense Benefits, to the nearest multiple of \$100 (or to the next higher multiple if the amount to be rounded is an odd multiple of \$50).

(c) The amounts as so redetermined and promulgated in any calendar year (whether or not the same as the amounts specified in the sections cited in subsection (a)) shall be effective for any coverage year that begins in the fiscal year beginning in the following calendar year.

(d) As used in this section, the term "Consumer Price Index" means the Consumer Price Index (All Items—United States City Average) published monthly by the Bureau of Labor Standards of the Department of Labor.

DETERMINATION OF INCOME LEVEL

SEC. 205. (a) For the purposes of this part, the rate of income of a single individual or a family shall be determined on the basis of his adjusted gross income (in the case of a single individual) or the family's combined adjusted gross income (in the case of a family), as defined in accordance with regulations prescribed by the Secretary in consultation with the Secretary of the Treasury or his delegate, for the calendar year preceding the coverage year with respect to which the determination is made; except that—

(1) the Secretary may prescribe regulations (A) excluding from the amount thus determined items of income that are not reasonably available for living expenses, and (B) including therein items that are reasonably available for living expenses although not included in adjusted gross income, and

(2) the Secretary may by regulation provide for redetermination of an individual's or family's rate of income on a more current basis when necessary to prevent serious hardship or inequity.

(b) For the purposes of this part—

(1) the term "family" means (A) a husband and wife (not divorced or judicially separated) or (B) such spouses and their dependent unmarried children under 19, or (C) an individual and his or her dependent unmarried children under 19; and

(2) The terms "child" and "dependent" (as applied to a child) have the meanings assigned them in sections 151 and 152 of the Internal Revenue Code of 1954.

#### PREMIUM CONTRIBUTIONS FOR FEDERALLY CONTRACTED COVERAGE

SEC. 206. (a)(1) In the case of medically indigent persons and members of medically indigent families referred to in section 202 (b)(2), entitlement to coverage contracted for by the Secretary shall be subject to the condition that the individual or family concerned, or another person or agency on the individual's or family's behalf, contribute to the carrier's annual premium charge for such coverage.

(2) (A) The annual amount of contribution so required with respect to such an individual or family shall be—

(i) \$50 for a single individual, and \$125 for a family, in income class 2;

(ii) \$100 for a single individual, and \$250 for a family, in income class 3;

(iii) \$150 for a single individual, and \$375 for a family, in income class 4; except that in the case of a family (in any such income class) in which only one member is under the age of 65, the amount of contribution required under the foregoing clause applicable to that income class shall be the amount specified in that clause for a single individual, and except that if, by reason of an increase in the Consumer Price Index, higher contribution amounts are promulgated under section 204 by the Secretary with respect to single individuals or families in income class 2, 3, or 4 for any coverage year, those amounts shall apply for that year.

(B) For determination of income classes, see section 203.

(b) Annual contributions under this section shall be payable, by or on behalf of the individual or family concerned, to the carrier under whose contract with the Secretary the individual or family is enrolled, in such installments and in such manner as may be prescribed by the Secretary by regulation. There shall be no recourse against the United States under this title on account of any delinquency or default in the payment of such contributions. For effect of delinquency or default on coverage, see section 236.

#### INCOME TAX DEDUCTIONS BY INDIVIDUALS

SEC. 207. Section 213 (a) (2) of the Internal Revenue Code of 1954 (relating to individual's deduction for medical insurance expense) is amended to read as follows:

"(2) the sum of—

"(A) an amount (not in excess of \$150) equal to one-half of the expenses (other than those deductible under subparagraph (B)) paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents (as defined in section 152), and

"(B) in the case of a taxpayer who at any time during the taxable year is covered under an insurance contract or prepayment plan approved by the appropriate State Health Commission under title I of the National Health Care Services Reorganization and Fi-

nancing Act, an amount equal to all the expenses paid during the taxable year for Comprehensive Health Care Benefits coverage, as defined in section 222 of that Act."

#### LIMITATION OF MEDICAID TO SUPPLEMENTATION OF COMPREHENSIVE HEALTH CARE BENEFITS

SEC. 208. (a) On and after the effective date of entitlement to benefits under this part, a participating State (as defined in section 134(d)(2)) shall, notwithstanding any provision of XIX of the Social Security Act (relating to grants to States for medical assistance programs), not be required to provide in its State plan under that title for paying under that plan for any service or item (set forth in section 222) that is covered by Comprehensive Health Care Benefits and is furnished to an individual who is entitled to such coverage under section 202. Any amount expended by such a participating State for furnishing any such service or item to such an individual on or after that date (whether or not the service or item is in fact covered under that State plan) shall be disregarded in determining the amount of any payment to be made to the State under title XIX of that Act.

(b) The Secretary shall, with a view to supplementing (so far as practicable), through State plans under title XIX of the Social Security Act, the coverage of Comprehensive Health Care Benefits for individuals referred to in subsection (a), prescribe by regulation the minimum scope of services and items that shall (in lieu of the requirements of section 1902(a)(13) of that Act) be included, on and after the date referred to in subsection (a), in a State plan as a condition of approval under title XIX of that Act.

#### PART B—COMPREHENSIVE HEALTH CARE BENEFITS

##### PAYMENTS FOR COMPREHENSIVE HEALTH CARE BENEFITS

SEC. 221. (a)(1) Except as provided in paragraph (2), coverage of a registrant for Comprehensive Health Care Benefits shall entitle the registrant to have the carrier pay, in accordance with part C of this title but subject to the limitations of this part, the approved predetermined charges of the Health Care Corporation, of which he is a registrant, for services and items (set forth in section 222) furnished to him and covered by such benefits, or, in those instances in which subsection (b)(3) applies, the charges (approved and submitted to the carrier in accordance with section 143(f)) of another Health Care Corporation or provider that furnished to him covered services or items. Such coverage is subject to the carrier's right (as provided in part C of this title) to reimbursement from the registrant in the amount of the copayments (if any) payable under this part, and subject to the other provisions of this part.

(2) In the case of registrants of an approved Health Care Corporation that operates on a capitation charge basis, coverage for Comprehensive Health Care Benefits shall entitle the registrant to have the covering carrier (or the Secretary where the registrant is enrolled under a contract of the Secretary with the corporation under section 235) make payment of capitation charges (instead of fee-for-service charges) on his behalf in accordance with the applicable provisions of part C of this title. The conditions under which, the manner in which, and the extent to which the amounts of copayments provided for in this part, or the actuarial equivalent of such copayments, is to be paid and collected in such cases, is also governed by part C of this title.

(3) For payment by the carrier to the Health Care Corporation for certain charges not covered by Comprehensive Health Care Benefits, see section 235.

(b) In the case of an individual not registered with a Health Care Corporation, such individual shall make copayments in the amounts specified in the benefit table in section 222, and subject to changes in the Consumer Price Index as determined in sections 204 and 224. Such individuals shall be responsible for copayments and payment for noncovered services at the time services are provided, the carrier paying the non-affiliated provider for covered services, less the copayment amount, in accordance with charges approved by the State Health Commission.

#### DEFINITION OF COMPREHENSIVE HEALTH CARE BENEFITS

SEC. 222. (a)(1) Comprehensive Health Care Benefits shall, subject to other provisions of this title, consist of benefits for (A) Outpatient Services, (B) Inpatient Services, and (C) Catastrophic Expense Benefits, as described or referred to in the benefit table set forth in subsection (b) and in other provisions of this title. In addition to specific requirements for the issuance of regulations in the table and in other provisions of this part, the Secretary is authorized to issue from time to time such further regulations governing and otherwise adjusting the application of the table as in his judgment will best carry out the purposes of this Act.

(2) For the purposes of the table and of the subsequent provisions of this part—

(A) the term "coverage year" with respect to an individual means a 12-month period of Comprehensive Health Care Benefits coverage of the individual under a qualified carrier's insurance contract or prepayment plan which coincides with a 12-month (annually renewable) term of that contract or plan; and the Secretary shall by regulation provide for application of the table to an individual whose initial enrollment under such a contract or plan occurs after the beginning of a then current 12-month term of the contract or plan or who is enrolled under a carrier contract with the Secretary that has a shorter initial term;

(B) the term "benefit period" with respect to an individual means a period of consecutive days—

(i) beginning with the first day (not included in a previous benefit period) that occurs during a coverage year and on which he is furnished covered inpatient hospital services, post-hospital extended care services, nursing home care, or services under an outpatient institutional-care program for mental illness, alcoholism, or drug abuse or drug dependence (as provided in paragraphs A.3.a, and B.1, respectively, of the benefit table), and

(ii) ending with the close of the first period of 60 consecutive days thereafter (whether or not in the same coverage year) on which he is not receiving any of the care or service referred to in clause (i);

(C) the term "regulations" refers to regulations of the Secretary; and

(D) the term "outpatient services" means services listed under the heading "Outpatient Services of Health Care Corporations" in the benefit table (including such services to patients confined to the home) and furnished to individuals who are not inpatients covered for services under paragraph B.

For other definitions of terms used in the table, see section 228.

(b) The table referred to in subsection (a) is as follows:

## TABLE OF COMPREHENSIVE HEALTH CARE BENEFITS

## I—SERVICES AND ITEMS COVERED

## II—COPAYMENTS\* AND LIMITATIONS

## A. Outpatient Services

## 1. Periodic Health Evaluation

a. Screening tests and examinations, as prescribed by regulations under section 226, followed by physical examination by a physician or physicians when indicated by the screening.

## b. All Immunizations

## c. Well-Baby Care (for infants under age 5)—

- (ii) during next 12 months;
- (i) during 1st 12 month following birth;
- (iii) during next 3 years.

## d. Dental Services

The following professional dental services including drugs and supplies that are commonly furnished, without separate charge, as an incident to such professional services:

(i) Oral examination, including (I) prophylaxis (with fluoride application at appropriate ages), (II) dental X-rays, and (III) in accordance with regulations, other accepted preventive dental procedures.

(ii) To the extent prescribed by regulation under section 226 and not covered under (i), above, dental care other than orthodontia; but including, insofar as the Secretary finds that resources of facilities and personnel make practicable, routine extractions, dental fillings, and appropriate prosthetic appliances.

e. Vision Services (in accordance with regulations under section 226)

(i) Professional services in routine eye examination, including procedures performed (during the course of an eye examination) to determine the refractive state of the eyes and procedures for furnishing prosthetic lenses, provided either by an ophthalmologist or other physician skilled in diseases of the eye or by an optometrist (whichever the patient may select).

(ii) Eyeglasses with prescription lenses, including the fitting thereof, and including additional lenses and frames as needed.

## 2. Physicians' Services and Ancillary Health Care

When not otherwise covered under this table—

a. Physicians' services (including radiotherapy) on an outpatient basis in any appropriate institutional or home calls), and services in any such setting under a physician's supervision by allied health personnel (as defined in regulations).

b. Diagnostic procedures on an outpatient basis (when not covered under subparagraph a.), including diagnostic tests, prescribed or ordered by a physician in connection with services referred to in paragraph a.

c. Hospital or outpatient-center services (not included above rendered to outpatients and incidental to physicians' services covered under paragraph 1).

d. Supplies, materials, and use of facilities and equipment in connection with the foregoing services, including drugs administered or used as a part of services covered in paragraph 1, 2, or 3.

## e. Ambulance services.

## 3. Other Outpatient Services

a. Outpatient Institutional-Care Program for Mental Illness, Alcoholism, or Drug Abuse and Dependence.

Such day-care or other part-time services and other items as may be specified in regulations under section 226, furnished to patients, other than inpatients, under a program for the treatment of mental illness, alcoholism, or problems of drug abuse and drug dependence.

## b. Drugs, Prosthetic Devices, and Medical Equipment.

(i) Drugs (other than those covered under paragraph A.1., A.2., or B.1. of this table) dispensed to patients other than inpatients.

No copayment.

Within such limits as may be prescribed by regulation under section 226.

No copayment and no limitation.

No copayment.

8 visits.

4 visits.

2 visits per coverage year.

Items d (i) and (ii) in column I apply initially only to children born not more than 7 years before the effective date of this subpart. For those initially covered, the benefits extend through age 12.

No copayment.

1 examination per coverage year.

Copayment 20 percent of charges.

For individuals through age 12.

No copayment.

1 visit per coverage year (including therein a follow-up verification of conformity of prescribed lenses with a prescription issued during the visit).

Copayment 20% of charges.

Initially, one set of eyeglasses (including frame and lenses); thereafter, only newly prescribed lenses and frames as required (but not more often than once a coverage year) because of a change in the condition of the eyes. Standards to be established by regulations promulgated by the Secretary in accordance with section 226.

For physicians' services, a copayment for each visit of two dollars. Copayments under this paragraph for services in facilities involved in clauses c. and d. below apply only to services of attending physician.

Limited to 10 visits per coverage year. Except that, in accordance with regulations no limit on the number of visits shall apply to services preceding or following inpatient care in cases (such as surgery or pregnancy and obstetrical care) in which a single combined approved charge is made by the provider for such outpatient and inpatient services.

20% copayment.

Copayment requirement waived for registrants of Health Care Corporations.

No separate limitation.

No separate copayment.

No separate limitation.

No separate copayment.

No separate limitation.

20% copayment.

Covered only when other methods of transportation are contraindicated by the patient's condition, and only to the extent provided in regulations.

A two-dollar copayment, per day, except that copayments may, by regulation, be waived for treatment of drug abuse and drug dependence. (No separate copayment for physicians' services applies under this subparagraph, whether or not such services are charged for separately.)

Limited to visits or sessions on 3 days under such a program in lieu of each day of inpatient hospital care allowable during a benefit period (under paragraph B.1.a. below) for the treatment of mental illness, alcoholism, or drug abuse or drug dependence.

For each drug prescription, and each refilling of such a prescription, a one dollar copayment.

(ii) Prosthetic devices (including hearing aids) prescribed by a physician and not otherwise covered in this table.

Covered only if (1) the drug (whether or not it is subject to a prescription requirement under any law other than this title) has in fact been prescribed by a physician and is listed under its established name (as defined in section 502(e) of the Federal Food, Drug, and Cosmetic Act) in a list established for the purposes of this title by the Secretary under section 226(c), and (2) in the case of a drug listed under section 226(c) (2) (B), the disease or condition for which the drug has been prescribed is one for the treatment of which the drug is designated in that list as appropriate.

Copayment 20% of charges.

Covered only if listed in, and in accordance with, regulations under section 226.

Copayment 20% of charges.

Covered only if listed in, and in accordance with regulations under section 226; and subject to criteria for payment prescribed under that section.

(iii) In accordance with regulations, durable medical equipment (not otherwise covered as described in section 1861(s)(6) of the Social Security Act, certified by a physician as being medically required.

c. Home Health Services

Such items and services as are defined as "home health services" by section 228(d) and regulations thereunder.

Copayment 20% of charges.

Covered only if listed in, and in accordance with regulations under section 226; and subject to criteria for payment prescribed under that section.

For each visit, a two-dollar copayment.

Coverage of such services shall be limited to 100 visits per coverage year. The certification and recertification requirements of section 1835(a)(2) of the Social Security Act, with such modifications (if any) as the Secretary may by regulation prescribe, may be applied by the carrier.

*B. Inpatient services*

1. Institutional Services

a. Inpatient Hospital Care

Items and services defined by section 228(e) as "inpatient hospital care."

A five-dollar copayment, per day.

Coverage is limited to 90 days of inpatient hospital care received in any benefit period; except that for treatment of mental illness, alcoholism, and problems and conditions of drug abuse or drug dependence the limit is 45 days. (The limitation on treatment of mental illness, alcoholism, and problems and conditions of drug abuse or drug dependence is 90 days of inpatient hospital care for registrants of Health Care Corporations.)

A two-dollar-and-fifty-cent copayment, per day.

Limited to 30 days of such care received in any benefit period.

b. Post-Hospital Extended Care

Extended care services (as defined in section 228(b)) furnished an individual after transfer from a hospital in which he was an inpatient for not less than 3 consecutive days. For the purpose of the preceding sentence, the second sentence of section 1861(i) of the Social Security Act shall apply.

c. Nursing Home Care

Nursing home care as defined in section 228.

A two-dollar-and-fifty-cent copayment per day.

Coverage shall be limited to 90 days of such care received in any benefit period.

2. Physicians' Services

Those physicians' services to inpatients which are not included as "institutional services" under paragraph B.1.a., b., or c.

A two-dollar copayment, per visit of the attending physician only. In accordance with regulations under section 226, in the case of services (such as surgery or pregnancy and obstetrical care) in which a single charge is made by the corporation for the attending physicians' services combined with any preceding or following outpatient services related thereto, a copayment of 10% of such combined charges shall apply. Copayments for physicians' services under this paragraph are in addition to the daily copayments for institutional care.

No separate limitations.

For elimination of certain limits on coverage for Physicians' Services and Inpatient Hospital Services when Catastrophic Expense Benefits take effect in a coverage year, see section 225.

Psychoanalysis is excluded under catastrophic coverage, except in those cases in which it is utilized for the treatment of severe functional disability for which no feasible alternative modes of therapy exist.

*C. Catastrophic expense benefits*

Section 225 defines the conditions under which these benefits become effective in any coverage year with respect to any individual or family. To summarize: In the case of a low-income person or low-income family (class 1), these benefits are effective immediately. In the case of medically indigent persons or families (classes 2-4), they become effective when the person or family has incurred in a coverage year, for premium contributions, copayments, and certain other expenditures combined, a total expenditure equal to an amount determined by application of a table in section 225. In the case of individuals or families in income class 5, these benefits apply when a variable expenditure limit is reached, determined by taking 10% of the individual's or family's income. The dollar figures in the tables and the absolute expenditure limit may be adjusted by the Secretary on an annual basis, whenever the Consumer Price Index is more than 3% above the index for the base period (see sections 204 and 224).

\* The initial amounts of the dollar copayments are subject to changes in the Consumer Price Index as determined under sections 204 and 224.

**LIMITATIONS AND EXCLUSIONS**

SEC. 223. (a) Notwithstanding any other provision of this title, Comprehensive Health Care Benefits shall not cover charges for—

(1) services or items that are not medically necessary (or, in the case of health maintenance services under paragraph A. 1. of the benefit table, medically appropriate), as determined in accordance with regulations and subject to such requirements for certification and recertification by physicians as are specified in this part or in regulations;

(2) inpatient treatment of tuberculosis, mental illness, alcoholism, or problems of

drug abuse or drug dependence, unless the condition of the patient is in an acute phase;

(3) custodial care, other than health-related custodial care;

(4) cosmetic surgery or charges incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member;

(5) personal comfort items;

(6) drugs not prescribed, except when administered by or under the immediate supervision of a physician; or

(7) (A) treatment of flat-footed conditions and the prescription of supportive devices therefor, or

(B) routine foot care (including the cutting or removal of corns or calluses, the trimming of nails, and other routine hygienic care).

(b) Comprehensive Health Care Benefits shall not cover any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to that item or service under a workman's compensation law or plan of the

United States or a State or under a motor vehicle insurance policy or plan. Any payment by the carrier under coverage under this title with respect to any item or service shall be conditioned on reimbursement to the carrier when notice or other information is received that payment for the item or service has been made under such a law, policy, or plan.

(c) Comprehensive Health Care Benefits shall not cover—

(1) charges for items or services (other than emergency services in accordance with section 143(f)) furnished by a Federal provider of services, except a provider of services which the appropriate State Health Commission determines is providing services (by arrangement with a Health Care Corporation or otherwise in accordance with part D of title I) as a community institution or agency; or

(2) charges of a Health Care Corporation or other provider for any item or service which the corporation or provider is obligated by a law of, or contract with, the United States to render at public expense.

(d) (1) If the bed and board furnished as part of inpatient institutional services is in accommodations more expensive than semiprivate accommodations, the amount taken into account for purposes of payment with respect to such care under Comprehensive Health Care Benefits coverage may not exceed an amount equal to the approved charges of the Health Care Corporation or nonaffiliated institutional provider for such services if furnished in semiprivate accommodations unless the more expensive accommodations were required for medical reasons.

(2) If the bed and board furnished as part of inpatient services is in accommodations other than, but not more expensive than, semiprivate accommodations and the use of such other accommodations was neither at the request of the patient nor for a reason consistent with the purposes of this Act (as determined under regulations), the amount of the payment, if any, with respect thereto shall in no event be greater than the corporation's or nonaffiliated provider's approved charge for bed and board in the accommodations furnished.

(3) For purposes of this subsection, the term "semiprivate accommodations" means two-bed, three-bed, or four-bed accommodations.

(e) If, in any other case, items or services are furnished to an individual in excess of, or more expensive than, items or services with respect to which payment may be made under Comprehensive Health Care Benefits Coverage, there shall be taken into account, for purposes of payment by the carrier, only the approved charges of the corporation or other provider with respect to which such payment may be made.

#### COPAYMENT PROVISIONS

Sec. 224. (a) Except to the extent that Health Care Corporations operate on a predetermined capitation charge basis and do not impose separate charges for services and other items covered by Comprehensive Health Care Benefits at the time such services and items are furnished to a covered individual, and except when Catastrophic Expense Benefits are in effect as determined under section 225, coverage for Comprehensive Health Care Benefits is subject to the payment, by the covered individual or on his behalf by another person or agency, of copayments in the case of services or items with respect to which copayments are specified in the benefit table set forth in section 222, but only if the individual is not a low-income person or a member of a low-income family (as defined in section 203). As provided in part C of this title, the amount of such copayments shall not be deducted by the carrier from payment to the Health Care Corporation for covered services and other items but shall be re-

covered by the carrier as provided in that part, without recourse against the corporation. Payment for coverage for Comprehensive Health Care Benefits for an individual who has not registered with a Health Care Corporation shall be made by his carrier at approved predetermined charges, less copayments applicable for the services provided.

(b) In those cases in which the table in section 222 specifies as the required copayment a stated percentage of charges with respect to a covered service or item, the amount of the copayment shall, subject to section 223, be equal to that percentage of the approved charges of the provider involved for the covered service or item. In those cases in which the copayment in the table is stated as a dollar amount, if, by reason of an increase in the Consumer Price Index, a higher amount is promulgated for any coverage year under section 204 by the Secretary with respect to any copayment item than the amount specified in the table of benefits for that item, the amount so promulgated shall apply with respect to that year.

#### CATASTROPHIC EXPENSE BENEFITS

Sec. 225. (a) When Catastrophic Expense Benefits are in effect as a part of coverage for Comprehensive Health Care Benefits with respect to a covered individual in a coverage year, (1) copayments that would otherwise be required to be made by or on behalf of that individual shall not be required with respect to services or items furnished in that coverage year on or after the effective date of those benefits, and (2) the benefit limits shown in column II of the benefit table for physicians' services and ancillary health care (paragraph A. 2. a.), for outpatient institutional-care programs for mental illness, alcoholism, or drug abuse or drug dependence (paragraph A. 3. a.), and for inpatient hospital care (paragraph B. 1. a.) become inapplicable during that period for those classes of services and care except as otherwise indicated in that column.

(b) (1) In the case of a covered individual who is (or whose family is) in income class 1, with respect to a coverage year, Catastrophic Expense Benefits shall automatically be in effect during the entire year as part of his coverage for Comprehensive Health Care Benefits.

(2) In the case of any covered individual (or his family) in income class 2, 3, or 4, Catastrophic Expense Benefits shall become effective in a coverage year when the sum of creditable expenditures incurred by him, or incurred by him and all other members of his family in the case of an individual who is a member of a family, equals the amount of a special expenditure limit determined as in the table below (or the amount redetermined by the Secretary for that year under section 204).

#### SPECIAL EXPENDITURE LIMIT TABLE

Income class	Expenditure limit under 65	Expenditure limit 65 and over
2	\$250	\$125
3	500	250
4	750	375

(3) In the case of an individual and his family who are in income class 5, the special expenditure limit beyond which Catastrophic Expense Benefits are to take effect shall vary according to the level of income, with the exact limit set at 10 percent of the individual's or family's income (as defined in accordance with the regulations prescribed by the Secretary in consultation with the Secretary of the Treasury or his delegate). The income base to which the 10 percent is to be applied shall be rounded to the nearest

multiple of \$100 (or to the next higher multiple if the amount to be rounded is an odd multiple of \$50).

(4) the following expenditures incurred by a covered individual, or incurred by him and other members of his family in the case of an individual who is a member of a family, shall be counted as creditable expenditures in determining under paragraph (2) whether and when Catastrophic Expense Benefits become effective with respect to him in a coverage year:

(A) Expenditures incurred for premiums, or contributions to premiums, for Comprehensive Health Care Benefits coverage (for that year) of that individual, or of him and other members of his family.

(B) Expenditures incurred in that year for copayments under Comprehensive Health Care Benefits coverage, and expenditures for copayments incurred in the last 3 months of the immediately preceding coverage year under such coverage.

(C) (1) Expenditures incurred in the coverage year involved for charges for physicians' services and ancillary health care (other than treatment of mental illness described in column I of paragraph A. 2. of the benefit table, or for outpatient institutional care for mental illness, alcoholism, or drug abuse or drug dependence as described in paragraph A. 3. a. in that column, or for inpatient hospital care or physicians' services to inpatients (other than for mental illness, alcoholism, or drug abuse or drug dependence) described in paragraph B. 1. a. or B. 2. in that column, if those charges were excluded from coverage under such paragraph solely because of the applicable limitations in column II of the benefit table on the number of visits per coverage year or on the number of days of care per benefit period; and (ii) like expenditures incurred in the last 3 months of the immediately preceding coverage year and applied toward the applicable expenditure limit or limits under this section for that year.

(5) For the purposes of this section—

(A) expenditures are (whether or not payment is or has been made) deemed to be incurred—

(i) in the case of the individual's contributions to premiums, when payment is due; or

(ii) in the case of copayments, and of charges described in paragraph (4) (C), when the service or item giving rise to the copayment or charge was provided, unless payment is sooner made; and

(B) expenditures are deemed to be incurred by a covered individual (unless they are Federal payments) if paid or payable by the covered individual or on his behalf by another person or agency.

#### REGULATIONS FOR COMPREHENSIVE HEALTH CARE BENEFITS

Sec. 226. (a) In addition to any other regulations and standards with respect to the coverage of Comprehensive Health Care Benefits and the various classes thereof, payment of charges to Health Care Corporations for services and items covered thereby, collection of copayments by carriers as provided in part C of this title, and other matters relating to such benefits, the Secretary shall issue regulations on the matters required by this section. Section 240, relating to regulations affecting the rights and obligations of carriers, shall also apply to regulations under this part.

(b) The Secretary shall issue regulations amplifying the provisions of the benefit table with respect to health maintenance benefits covered by paragraph A. 1. of the benefit table and in particular shall—

(1) in the light of the special emphasis of this Act on the obligation of Health Care Corporations for health maintenance, prescribe the coverage of Comprehensive Health Care Benefits with respect to periodic health

evaluation as comprehensively as resources of facilities and personnel will permit and with a view to keeping in step with modern developments in this field, and in this connection consider—

(A) insofar as the frequency of evaluations for particular age groups is concerned, the provision of one appropriate evaluation per coverage year for individuals aged 65 or older, one every second year for those aged 19 to 64 inclusive, and one every five years for those aged 5 to 18 inclusive; and

(B) insofar as the components of such evaluations are concerned, including in such coverage, as the Secretary may deem medically appropriate and practicable for the different age, sex, and other patient groups, regularly scheduled complete histories, blood tests, serologies, urinalyses, and other appropriate chemical laboratory tests; chest X-rays; electrocardiograms; Papanicolaou smear tests; rectal and proctoscopic examinations; glaucoma tests; and hearing tests; and

(2) issue regulations with respect to the coverage of paragraph A. 1. e. of the benefit table for vision services.

(c) The Secretary shall issue standards and other regulations with respect to coverage under paragraphs A. 2. and A. 3. and paragraph B. of the benefit table, and in particular shall—

(1) define the physicians' and other services, and the drugs and other items, that are to be covered as benefits under paragraph A. 3. a. of the benefit table in outpatient institutional-care programs for mental illness, alcoholism, or problems of drug abuse and drug dependence, and set forth such criteria for these benefits as will encourage the establishment and use of such programs on a sound basis and lessen the need for inpatient treatment of these conditions; and waive, or provide for the waiver, of copayments in such programs for the treatment of drug abuse and drug dependence to the extent that the Secretary finds that such waiver is desirable in order to encourage the use of these programs by persons who are in need of such treatment;

(2) for the purpose of coverage of drugs under paragraph A. 3. b. (1) of the benefit table, establish and keep current, on the basis of determinations of the Secretary with respect to the safety and efficacy of the drugs involved—

(A) a list of the categories of drugs that the Secretary finds to be appropriate for the treatment of diseases or conditions requiring drug therapy of such duration and cost as commonly to impose financial hardship; and

(B) a list that (i) designates diseases and conditions, requiring intensive drug therapy (with drugs other than those listed under subparagraph (A)), which the Secretary finds to be of especial importance to the public health, and (ii) specifies with respect to each such disease or condition the category of drugs which the Secretary finds to be appropriate for the treatment thereof;

(3) (A) designate prosthetic devices (including such devices not included under section 1861(s) of the Social Security Act and including hearing aids) to be covered under paragraph A. 3. b. (ii) of the benefit table, and (B) prescribe the conditions for coverage of durable medical equipment (as described in section 1861(s) of the Social Security Act) under paragraph A. 3. b. (iii) of that table (including criteria for determining whether payment for expensive purchased equipment shall be made on a rental-equivalent basis);

(4) (A) (i) prescribe regulations for determining what is to be counted as a visit in the case of physicians' services covered under paragraph A. 2. a. of the benefit table and physicians' services covered under paragraph B. 2. of the table; (ii) prescribe regulations (I) exempting from the limits on the num-

ber of visits under paragraph A. 2. a. of the table physicians' services preceding or following inpatient care in case (such as surgery, or pregnancy and obstetrical care) in which a single combined charge is made, by the provider involved, for any outpatient and inpatient services, and (II) providing for copayments in such cases in an amount equal to a percentage of the combined covered charges for outpatient and inpatient physicians' services as specified in column II of paragraph B. 2. of the table; and

(5) prescribe regulations, referred to in column II of paragraph A. 3. c. of the benefit table, with respect to the nature and number of visits to be counted for home health services coverage purposes.

#### PHASING OF ADDITIONAL BENEFITS

SEC. 227. The Secretary shall submit to Congress recommendations for the expansion of benefits after the program is in operation as specified in section 302. The Secretary shall give special consideration to the expansion of benefits for dental and vision services based on the availability of resources.

#### OTHER DEFINITIONS

SEC. 228. For the purposes of this part:

(a) The term "drug" means a drug within the meaning of section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act, as now in force or as hereafter amended, including any product of a kind subject to licensing under section 351 of the Public Health Service Act.

(b) The terms "extended care services" and "nursing home care" mean, respectively, services and items specified as such in regulations of the Secretary (including the services specified in section 1861 (h) of the Social Security Act) for the respective classes of institutions, if the services are—

(1) furnished to patients who require active inpatient treatment but are not in an acute phase of illness and who currently either require primarily convalescent or restorative services or require primarily health-related custodial care;

(2) furnished under arrangements, in accordance with section 183(d), for the transfer of patients among inpatient care facilities as medically appropriate;

(3) furnished by an institution which (A) meets the requirements of paragraphs (1) through (9) of section 1861 (j) of the Social Security Act (defining the term "skilled nursing facility" for purposes of title XVIII of that Act), (B) meets such other conditions relating to the physical facilities or to the safety or quality of care of patients as the Secretary may by regulation prescribe for the respective classes of institutions, and (C) is not an institution primarily for the care and treatment of mental illness or tuberculosis; and

(4) in the case of extended care services, furnished by an institution which is structurally a part of, physically connected with, or in immediate proximity to a hospital, and either is under the supervision of the professional staff of the hospital or has an organized medical staff.

(c) The term "health-related custodial care" means that component of comprehensive health care which—

(1) is furnished to a patient who has a non-curable disease diagnosed by a physician (as defined in section 1861(r)(1) of the Social Security Act) as still requiring medical or nursing care (or both), for palliation or as terminal care, through extended care services or nursing home care or home health services or physicians' home calls;

(2) has the purpose of maintaining the well-being of that patient to the maximum degree possible; and

(3) involves a patient who either—

(A) is bedridden, or unable to get into and out of bed without assistance, or

(B) requires nursing care procedures (such as complicated dressings, irrigations, or intravenous medications) that cannot be per-

formed by the patient or by nonnursing personnel (such as a family member or companion), or

(C) experiences frequent episodes of sudden, acute illness requiring emergency treatment that cannot be controlled by medication (such as uncontrolled diabetes, epilepsy, paroxysmal tachycardia, or fibrillation), or

(D) requires constant physical restraints to prevent injury to himself or others (as in the case of senile patients or patients who suffer from certain mental illnesses).

(d) (1) The term "home health services" means (subject to paragraph (3)) the items and services specified in paragraph (2), if—

(A) they are furnished to an individual who is under the care of a physician;

(B) they are furnished by a Health Care Corporation either directly or through an affiliated provider that is a "home health agency" as defined in section 1861(o) of the Social Security Act (but not excluding an agency or organization that is primarily for the care and treatment of mental illness);

(C) they are furnished under a plan, established and periodically reviewed by a physician, for furnishing them to the individual; and

(D) they are, except as provided in paragraph (2)(G), furnished on a visiting basis in a place of residence used as the individual's home.

(2) The items and services referred to in paragraph (1) are—

(A) part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse;

(B) physical, occupational, or speech therapy;

(C) medical social services under the direction of a physician;

(D) to the extent permitted in regulations, part-time or intermittent services of a home health aide;

(E) medical supplies (other than drugs), and the use of medical appliances, while under the plan referred to in paragraph (1)(C);

(F) medical services provided by an intern or resident-in-training in a provider institution; and

(G) any of the foregoing items and services which are provided on an outpatient basis, under arrangements made by the Health Care Corporation or home health agency referred to in paragraph (1)(B), at a hospital, extended care facility, or rehabilitation center, and

(i) the furnishing of which involves the use of equipment of such a nature that the items and services cannot readily be made available to the individual in the place of residence referred to in paragraph (1)(D); or

(ii) which are furnished at that facility while he is there to receive any item or service referred to in clause (i) of this subparagraph, but not including transportation of the individual in connection with any such item or service.

(3) Notwithstanding the provisions of paragraphs (1) and (2), the term "home health services" does not include any item or service if it would not be included under "inpatient hospital care" (as defined in subsection (e)) if furnished to an inpatient of a hospital.

(e) The term "inpatient hospital care" means the following items and services furnished to an inpatient of a hospital and, except as otherwise specified, by the hospital:

(1) Bed and board.

(2) Such physicians' services in the hospital (such as those of radiologists and pathologists) as are held out as generally available to all inpatients of a hospital and which are charged for by the hospital as part of its services.

(3) Such nursing services and other related services, such use of hospital facilities, and such medical social services as are

ordinarily furnished by the hospital for the care and treatment of inpatients, and such drugs, supplies, appliances, and equipment, for use in the hospital, as are ordinarily furnished by the hospital for the care and treatment of inpatients.

(4) Such other diagnostic or therapeutic items or services, furnished by the hospital, as are ordinarily so furnished to inpatients of the hospital.

(f)(1) The term "physician" means, except when otherwise specified, a physician as defined in section 1861(r) of the Social Security Act.

(2) The term "physicians' services" means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls.

(3) The term "attending physician" means, with respect to a patient, the physician having primary responsibility for the patient's medical care.

#### PART C—CARRIERS FOR COMPREHENSIVE HEALTH CARE BENEFITS

##### DEFINITION OF "CARRIER"

SEC. 231. As used in this Act, the term "carrier" means—

(1) a voluntary association, corporation, partnership, or other nongovernmental organization that is engaged in providing, paying for, or reimbursing the cost of, health care under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of predetermined premiums or other periodic charges payable to the carrier; and

(2) a Health Care Corporation approved by a State Health Commission under a State plan approved by the Secretary under this Act, to the extent that the corporation charges for covered health care on an annually predetermined capitation basis in accordance with section 146(b).

##### DETERMINATION OF QUALIFIED CARRIER

SEC. 232. A carrier is a qualified carrier for the purposes of this Act if—

(1) it is authorized to operate health benefit prepayment plans or insurance at group rates in each State for whose residents it provides, or proposes to provide coverage under this Act, is in compliance with section 233, and meets such additional standards as the Secretary may establish, including, in the case of contracts with the Secretary under sections 202 and 206, any special standards established for the purposes of those sections; and

(2) with respect to coverage for which a premium contribution by the Secretary is requested under section 202(c), the carrier agrees to accord to the Secretary and his agents the same rights to information and access to the carrier's records as is required to be accorded to them under section 241.

##### REQUIREMENT THAT CARRIERS PARTICIPATE UNDER STATE PLANS

SEC. 233. A carrier shall not be qualified for award of a contract with the Secretary under section 202 or 206 or for issuance of Comprehensive Health Care Benefits coverage eligible for a premium subsidy under section 202(c), unless the carrier agrees, if required by the appropriate State Health Commission (or its delegate agency) of a State, to participate in a coverage pool in accordance with provisions therefor contained in the State plan pursuant to section 134(b)(7), or unless the carrier is in fact such a participant.

##### CONDITIONS OF APPROVAL OF CARRIER CONTRACTS OR PLANS FOR FEDERAL PREMIUM SUBSIDY

SEC. 234. The Secretary shall, for the purpose of any premium contribution under section 202, approve an insurance contract or prepayment plan of a carrier (including such a contract or plan under State plan provisions referred to in section 134(b)(7)) only if the insurance contract or prepayment plan—

(1) is in conformity with applicable regulations and standards prescribed under the State plan (approved under part C of title I) of the appropriate participating State;

(2) provides for 12-month coverage terms;

(3) does not permit any exclusion from, or limitation with regard to, coverage of an individual because of health status (preexisting, current, or future), economic status, race, sex, occupation, age, or establishment of any other condition inconsistent with regulations of the Secretary, but this paragraph shall not be construed to preclude reasonable classification of risks for premium rate purposes in accordance with actuarial principles; and

(4) contains such provisions as the Secretary may prescribe or approve relating to coordination of the coverage under the insurance contract or prepayment plan involved with overlapping or duplicative coverages under other insurance contracts or prepayment plans.

##### CONTRACTS WITH HEALTH CARE CORPORATIONS ON CAPITATION BASIS

SEC. 235. In the case of a Health Care Corporation that operates on the basis of predetermined capitation charges (approved by the appropriate State Health Commission), the Secretary may, if satisfied as to the corporation's financial responsibility to qualify as a carrier for itself under this section, provide the coverage for Comprehensive Health Care Benefits under this Act to which registrants of the corporation are entitled under section 202(b), by entering (directly or through the State Health Commission as the Secretary's agent as authorized by section 217(b)(2)) into a contract with the corporation, whereby the Secretary, in consideration of the corporation's undertaking to provide (or, when authorized under part D of title I, pay for) the services and items covered by such benefits, agrees that there shall be paid by the Secretary to the corporation, with respect to those registrants of the corporation who enroll under the contract, the same amounts that a third-party carrier would be required to pay under a contract with the Secretary, except that a contract under this section—

(1) shall authorize the Secretary in the case of a Health Care Corporation that does not impose separate charges equivalent to copayments in addition to capitation charges, to deduct, from any capitation payments otherwise payable by the Secretary to the corporation on behalf of an individual enrolled under the contract, the value (as determined on the basis of actuarial principles) of any copayments to which the covered registrants would be subject under part B of this title if the corporation imposed separate charges equivalent to copayments;

(2) shall not, in the case of a Health Care Corporation that imposes separate charges equivalent to copayments in addition to capitation charges, undertake to pay those charges to the corporation;

(3) shall provide that the corporation shall itself collect from a registrant (or from others on his behalf) all copayments and premium contributions (in the form of capitation charges) payable by the registrant, and shall keep for the registrant the record of such copayments and contributions incurred by him (or his family) and notify him when he has reached the applicable expenditure limit under section 225 giving rise to Catastrophic Expense Benefits; and

(4) shall require the corporation to establish, in accordance with regulations or with provision in the contract, effective procedures (through such means as establishment of a separate record and payment center and issuance of identical membership cards to all its registrants, regardless of whether they have benefit coverage purchased by the Secretary) that will prevent

persons who furnish health services or items for the corporation from identifying those registrants who enjoy coverage purchased by the Secretary and discriminating against them on that account.

Any reference in this part to premiums, or contributions to premiums, shall be deemed to include capitation amounts paid by the Secretary, or contributions to capitation charges by registrants, respectively, under contracts made under this section.

##### EFFECTS OF NONPAYMENT OF PREMIUMS

SEC. 236. (a) Premium contributions and special premiums payable pursuant to section 206, by individuals referred to therein who are enrolled under a contract under this title, shall be paid by or on behalf of the registrant to the carrier (from sources other than the Secretary) in periodic installments in advance in a manner and at the time or times prescribed in regulations of the Secretary but not less often than quarterly nor more often than monthly.

(b) In the event of nonpayment of a contribution or special premium installment, when due, to the carrier by or on behalf of an individual, the benefit coverage to which the overdue installment relates shall, upon notice by the carrier in accordance with regulations of the Secretary, end unless payment is made prior to the expiration of a grace period (not in excess of 90 days) prescribed by the regulations, except that (1) the manner and order of termination of coverage of family members in the event of partial delinquency or default in family contribution installments payable under section 206 shall be determined in accordance with regulations, (2) delinquency or default in contribution installments under section 206 shall not affect the coverage of any family member who has attained the age of 65, and (3) delay in payment shall not give rise to termination of coverage if attributable to an act or omission of a Federal officer or employee used as a conduit for transmitting such installments.

##### ENROLLMENT UNDER CONTRACTS WITH CARRIERS

SEC. 237. (a) The Secretary may by regulations consistent with other provisions of this Act, prescribe the time or times at which, the manner in which, and the conditions under which individuals may (1) enroll, under a contract made under this part, for Comprehensive Health Care Benefits coverage purchased by the Secretary to which under section 202 they are entitled, or (2) change enrollment under one contract to enrollment under another.

(b) The regulations under this section shall permit enrollment by an individual for himself only, or for himself and his spouse and other individuals who are members of his family (as defined in section 205(b)), and shall prescribe the times at which, the manner in which, and the conditions under which a change from one such type of enrollment to another may be made. An individual enrolling for himself and family shall be liable for any premium contributions on which entitlement to family coverage is conditioned.

(c) To the optimum extent, (1) open enrollment periods under this section and open periods for registration with Health Care Corporations approved by State commissions under approved State plans under this Act shall be closely coordinated, to the end that registration and enrollment, and changes therein, may be effected concurrently, and (2) registration centers of Health Care Corporations shall function also as centers at which to apply for, and obtain information concerning, enrollment.

##### REPORTS BY AND AUDITS OF CARRIERS

SEC. 238. Each contract with a carrier under this title, including contracts with Health Care Corporations qualifying as carriers and contracting with respect to their registrants,

shall require the carrier to make such reports, in such form, and containing such information as the Secretary or his agents may require to carry out their functions under this Act, and to keep such records and afford such access thereto as the Secretary or his agents may find necessary to assure the correctness and verification of the reports and otherwise to carry out its functions under this Act.

#### JURISDICTION OF COURTS

SEC. 239. The district courts of the United States shall have original jurisdiction, concurrent with the Court of Claims, of a civil action or claim against the United States founded on this part.

#### PROSPECTIVE REGULATIONS

SEC. 240. Regulations, amendments to regulations, or amendments to this Act, issued or enacted during an annual contract term under this title, shall not, to the extent that their application would increase the obligations or adversely affect the rights of the contracting carrier, apply to that contract until the next contract year unless made applicable by the contract or by amendment thereto.

#### TITLE III—EFFECTIVE DATES

##### TRANSITIONAL EFFECTIVE DATES

SEC. 301. (a) Except as otherwise provided in this section and sections 110 and 302, this Act (including any amendments made by it to existing law) shall be effective upon the date of its enactment.

(b) Sections 111, 116(a), 118, 119, 120, and 121, and parts C and D of title I, shall take effect upon the first January 1 or July 1 which occurs six months or more after the date of the enactment of this Act.

(c) Section 116(b), section 138 (with respect to States which have not complied with sections 132 and 134), and the amendments made by section 201 shall take effect on the first day of the third fiscal year which begins after the date of the enactment of this Act.

#### FULL OPERATION OF PROGRAM

SEC. 302. The program under this Act shall be fully in operation, and the benefits under part B of title II shall be fully effective and available (in lieu of any benefits which would otherwise be available under title XVIII of the Social Security Act), in accordance with all of the provisions of this Act, on and after the first day of the fifth fiscal year which begins after the date of the enactment of this Act.

#### JAMES A. FARLEY EYES DEMOCRATS' FUTURE

Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, certainly as we look back over the political happenings of the past year, it, in my judgment is prudent that those who are interested in the preservation of a strong, viable two-party system take some time to study and analyze the political events of this period. I have been trying to do this and in so doing avail myself to the observations of those whose activities and involvement have proven meaningful to this perfect nation of our great American system. One of the more interesting articles I have read recently relates to observations of a truly great American, whose efforts have earned for him the gratitude of all Americans. I refer to James A. Farley and I commend the article I read to my colleagues:

#### Farley Eyes Democrat's Future—Felt McGovern, Westwood Bad Party Choices

NEW YORK.—The erect man with one of the most looked at heads in political convention history—towering bald and busy at altitude 6 feet 2½ above hundreds of floor strategy huddles—is mellow of spirit at age four score and four, but sharp with an acuity honed by decades of Democratic politicking. At age 12, in 1900, James A. Farley stood at a campaign train and listened to William Jennings Bryan tell the folks of Haverstraw, N.Y., and environs how the Democrats meant to win. It was his first exposure to a presidential nominee. Bryan lost. The exposure intensified from 1924 to 1968 as a delegate to 12 straight Democratic National conventions. This year, his name was never presented for his customary role of delegate-at-large from New York.

At ages 44 and 48, Farley masterminded Franklin D. Roosevelt's first two presidential victories.

At age 84, last May, in a birthday interview he said that if the Democrats nominated George S. McGovern in July they would suffer their "worst defeat since Al Smith's defeat by Herbert Hoover in 1928." Smith got 87 electoral votes, Hoover 444.

#### PREDICTION BORNE OUT

On Nov. 7, McGovern got 17 electoral votes, President Nixon 521.

The convention itself left Farley more convinced than he had been two months before. But he said nothing publicly during the campaign.

"From the time the convention started, the manner in which McGovern and his staff acted, the arrogant manner in which they handled or attempted to handle or failed to handle the other delegates that were not instructed for McGovern brought about a feeling of dissatisfaction that grew. When it was over, there was no doubt in my mind that he did not have a chance to be elected."

#### LIVING LEGEND

The man who was known as "Mr. Democrat" for four decades a tower of strength to his party and a legend among politicians, was interviewed at his desk on the job as board chairman of Coca-Cola Export Corp. He had a mild heart attack in March but now says "I feel pretty good." He has slimmed down from 204 pounds to 187.

He's convinced that "there isn't any question" but that the Democrats can come back and win the White House in 1976—with a big boost from the domestic troubles he is sure Nixon is going to have—if they get busy and reorganize the party.

#### OUST MRS. WESTWOOD

"The first thing they have to do is revise the national committee rules that prevented many regular Democrats who ordinarily went to the conventions, influential men and women who helped the party down through the years, from being delegates—denied them the right," he said.

"I don't think there is any question that the Democratic leaders around the country lost all confidence in the direction of the national committee under the chairmanship of Jean Westwood. I'm sure that the leaders generally also had no confidence in the staff operating under Mrs. Westwood.

"There isn't any doubt, in my judgment, that the best interest of the party is that a new chairman sooner or later should be selected and that they should start reorganizing the party under new leadership. I might as well say that. What the hell—I have no axes to grind or ambitions to satisfy. I'm out of politics. Completely out of it.

"There are not many people in public life who would want to indicate that she should retire. But I'm not in public life—but as a former chairman of the national committee,

and active for more than 45 years in the Democratic Party, I speak as a Democrat interested in the party and its success. And I speak as an individual. I say that she ought to retire or be retired as gracefully as possible."

Mrs. Westwood, appointed by Sen. McGovern and a symbol of his ideas and methodology, has said she does not intend to be deposed. The control of the party structure will be a battle in the national committee meeting on Dec. 9.

What, Farley was asked, went basically wrong with McGovern? "Well, in some respects he acted to me like a man that was naive. A man who'd been elected to public office in his own state, I would have thought he would have shown more judgment, leadership. And he—I don't know whether he listens to everybody or not—but the thing I think hurt him more than anything else was the shifting of his views. That showed a lack of credibility that scared people."

"His welfare stand I think also scared people—figuring welfare of course is completely out of hand now and would get worse under his leadership."

Was McGovern's philosophy, his ideology, off the beam of the American voter?

"It was this year. Completely. In addition I think there was a conservative trend because of the Vietnam war and the other government expenses risen so high; I think they (voters) were afraid to take a chance. I'm sure millions of Democrats who voted for Nixon didn't vote because they wanted him for president—but they preferred him as the lesser of two evils. Isn't any doubt about that."

"Another thing they did down there at the convention, hardly any mention was given the name of Lyndon Johnson, who in my judgment was responsible for more legislation that helped more elements of the population than any president in history—his civil rights activities, taking care of minority groups."

"And then another thing about McGovern. In 1948 he supported Henry Wallace against President Truman. And that was represented by many friends of Truman, who is looked upon as one of the great presidents."

Who are the other great presidents of all time?

"I'll say that Truman will be among the six great ones. Listed in the following order, if you want them: Washington, Jefferson, Jackson, Lincoln, Franklin Roosevelt, and Truman. You see, you can't put him ahead of Roosevelt—see? But matter of fact, Truman did a hell of a great job." Big Jim was silent a moment and then grinned: "As you may note, I'm partial to Democrats."

#### COMMUNITY DEVELOPMENT SPECIAL REVENUE-SHARING PACKAGE

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

Mr. ASHLEY. Mr. Speaker, the moratorium on assisted housing and a number of community development programs, ordered by the White House and announced Monday by the Secretary of Housing and Urban Development, represents a staggering body blow to American cities, suburbs, and rural areas throughout the United States.

According to Mr. Romney, the "holding action" on new commitments for water and sewer grants, open space grants, and public facility loans will continue until such time as these programs are folded into the community develop-

ment special revenue-sharing package requested by the administration. The freeze on subsidized housing, on the other hand, is far more indefinite since it will last for however long it takes the administration to conduct a searching evaluation and fundamental reform of all assisted housing programs.

The unilateral character of these White House actions can only be regarded as evidence of further deterioration in relations between the executive and legislative branches of our Federal Establishment. At no time were congressional leaders consulted and, for that matter, Governors, mayors, and other responsible officials were similarly circumvented and kept in the dark.

This broad-scale moratorium adds a new dimension to President Nixon's policy of impounding funds for domestic programs that have been authorized by the Congress. The President's plan, of course, is simply to exclude funds for the frozen programs, presumably on the expectation that Members of the House and Senate will stand idly by and watch their slow starvation. If, as I think is much more likely, the Congress asserts its legislative prerogatives and continues to authorize and appropriate funds for our badly needed housing and the community development programs despite the fact that these have not been included in the President's budget, then certainly the prospect is that the President will impound the funds for these programs as he has so many others.

The real tragedy, it seems to me, is that the defeatist, no-policy action announced by the President comes at the very time that the Congress and White House should be joining in new, more comprehensive strategies to restore the viability of our cities and to assure the rational and well-planned growth of our suburbs and rural areas. The cornerstones of such a strategy were established by the Congress when it passed the Urban Growth and New Community Development Act of 1970 which fastened responsibility—as insisted by the White House—on the President for proposing development strategies consistent with our Federal structure and private enterprise system. Tragically, the President has failed to respond to this urgent legislative mandate and instead is now presiding over the liquidation of our urban and metropolitan areas where eight out of every 10 Americans live.

We are told by Mr. Romney that the President's major objectives are to reverse the centralization of power in Washington, to end inflation and to establish the fiscal control required to avoid further increases in exorbitant taxes.

Unfortunately, it is difficult to take the President at face value any longer. Far from reversing centralization of power in Washington, Mr. Nixon has created a czar for policymaking in foreign affairs, another czar for economic affairs, and a third for domestic affairs. To establish fiscal control, he proposes to usurp the authority of Congress over the purse-strings, and to end inflation he wants to clamp the lid on urgently needed domes-

tic expenditures while allowing evermore military spending.

In point of fact, what Mr. Nixon is actually insisting upon is the right unilaterally to establish the order of spending priorities for our society, without consultation or assistance from the Congress.

Equally disturbing is the propensity of the administration to sweep domestic problems under the rug and then proudly proclaim they no longer exist. In his Houston speech, Mr. Romney again tested the credulity of the American people when he asserted that the decline in assisted housing starts "means that the private conventional housing market has demonstrated its basic capacity to meet the Nation's housing needs." This is about as accurate as saying that the New Haven Railroad has demonstrated its basic capacity to meet the commuter needs of the eastern seaboard.

The act is that all of the component costs of housing have risen far more rapidly in recent years than has the average family income, so much so that today only two out of every 10 American families can afford to buy a median-priced, FHA financed new home on the private market. It is quite true that the housing industry is enjoying its greatest production in history but Romney and the administration fail to point out that most of this production is for the affluent in our society and that the conventional market accommodates the less affluent only through the manufacture of mobile homes and the production of assisted housing under Federal programs which guarantee the builder and lender their profits. Basic capacity to meet the Nation's housing needs, indeed.

Were the administration to be honest, it would acknowledge that the main reason for record housing production is simply that recently we have been in a period of easy money and that there are many more home buyers for the conventional market when interest rates are relatively low. To assert that the operation of the private housing market now meets the needs of the Nation is to deliberately overlook what occurred during the tight money crunch of 1969-70 when high interest rates sharply curtailed conventional starts and the slack was only taken up by Federal support of the assisted housing programs.

For the sake of perspective, it is worth remembering that the Nation's housing goals for the 1969-78 decade were established by the Congress—and confirmed by this administration—at 26 million new and rehabilitated units, of which 6 million were to be assisted—5 million new units and 1 million rehabilitated. Cumulatively through 1973, it is estimated by the administration that about 1.4 million assisted units will have been produced, leaving 4.6 million for the remaining 5 years of the decade. Anyone relying on simple logic and third grade mathematics would have to conclude that we will need to more than triple the output of assisted housing over the 5 years if we are to reach the 6 million unit goal that we set for ourselves. The indefinite moratorium imposed by the

administration is hardly a promising way of setting about the task.

Finally, Mr. Speaker, let me suggest that individual initiative, freedom of choice, and our system of free competitive enterprise offer unique opportunities for many in our society. But for many millions of others these fine sounding terms, if not a myth, have only limited significance.

An agricultural worker or tenant farmer, displaced by industrialized farming that has evolved as a hybrid product of free enterprise and Government policy, has very little freedom of choice in our society, regardless of individual initiative. Through no fault of his own, his capabilities are limited and his options few. The real decisions affecting his livelihood and life have largely been made by others more fortunate and more powerful than he.

The Congress has said that the less fortunate and less powerful in our society are just as entitled to decent housing in a suitable living environment as those to whom the fates have been more kind. Yet today, according to the 1970 census, we have 4.7 million housing units without plumbing and 2.7 million units that are overcrowded. And we know that 2 million families today enjoy life in a mobile home, often because this is the only choice they are free to exercise.

To the many millions of Americans living in overcrowded or substandard shelter and to the millions of others whose housing needs cannot be met by the high-cost private market, the administration policy is to preach the wonders of individual effort and free enterprise while scuttling the few federally assisted housing programs that offer even a glimmer of hope. What a curious commentary it is that Federal subsidy of aerospace, agriculture, banking, the railroads, maritime, and a host of other special interests is entirely consistent with the administration's anti-inflation, free enterprise ethic while Federal help to achieve decent housing is regarded as wasteful and unnecessary.

Curious, perhaps, but hardly surprising. Last year, in the "First Report on National Growth Policy," President Nixon informed us that—

Plans for national growth must . . . seek to help individual Americans develop their unique potentials and achieve their personal goals.

What the President was saying, of course, is that there is no responsibility at the Federal level to establish growth and development goals for the Nation and to devise strategy to achieve these goals. Instead, this responsibility must be effectuated by the decisions of individuals and firms at the State and local levels. What the President fails to realize is that in addition to being a nation of 200 million citizens with individual abilities and aspirations, we also are a society which has collective aims as to the quality of our national life we seek to achieve.

To apply an immediate freeze to a number of new community development programs and to exclude urban renewal, Model Cities, and others from the fiscal

1974 budget is to break faith with the States and units of local government and to shun Federal responsibility for the physical development goals of our country, all under the banner of new federalism.

Mr. Speaker, this administration has no housing policy. It has no policy for our beleaguered cities, it has no policy to promote the rational development of urban and rural America. It has no policy in these areas because it insists that the only proper role of the Federal Government is to "provide the environment for local and individual achievement."

Well, we have tried that, Mr. Speaker, and our environment paid a terrible price in the process. It is unfortunate indeed if Congress and the President must lock horns in the months and perhaps years ahead but if the price of peaceful relations is for Congress to acquiesce to the subverting of national responsibility, then the price is simply too great.

#### HARRY TRUMAN: FRIEND OF ISRAEL

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

Mr. PODELL. Mr. Speaker, the years following the end of World War II were bleak ones for the remnants of European Jewry. After being almost totally wiped out in the German death camps, they were herded into displaced person camps. When they sought to escape to Palestine, to start life over again and forget the horrors of the holocaust, they were turned back by the British. It seemed that there was no one who cared whether they perished or survived.

No one, that is, except Harry S Truman, the brash, forthright man from Missouri, who almost reluctantly found himself in the White House. From 1945 on, Harry Truman pressed the British to open the gates to the Holy Land, and to honor the promise they made in the Balfour Declaration. At first, he sought 100,000 immigrant visas. When this failed, he became the foremost supporter of the partition plan in the United Nations. He fought and won against the members of the State Department who would rather cater to the Arabs than save Jewish lives. In his support of the concept of a Jewish homeland, he demonstrated the heights to which the Presidency could rise.

It has often been said, that if it were not for Harry S Truman, Israel would not exist. He was the first to recognize the new nation, and he lived up to his commitment by providing loans and other forms of aid so that Israel would have a chance to survive.

Truman had a particular vision of the role Israel would play in the future. He saw it as a source for the rebirth of the entire Middle East. It would be a highly developed land, from which the benefits of modern technology would spread throughout the region. Israel would be the fountain from which all the Middle

East would take nourishment and flower. It was only in this way, Truman felt, that peace would come.

The years have unfortunately not seen Harry Truman's dream come true. The gulf between the Arabs and Israelis has widened. But Harry Truman's hope for Israel will live on. Through his eyes we can see a land where all the residents live together in peace, all sharing in each other's successes. President Truman's memory should inspire us to remain steadfast in our support for Israel, in the hope that one day soon we will see with our eyes what he only saw with his heart.

#### PROPOSED ABOLITION OF THE HOUSE COMMITTEE ON INTERNAL SECURITY

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

Mr. ICHORD. Mr. Speaker, the Members of the House of Representatives recently received a letter from Vern Countryman and Thomas I. Emerson under the letterhead of the National Committee Against Repressive Legislation enclosing a copy of a petition urging the abolition of the House Committee on Internal Security which I have the duty of chairing. The original petition was sent to you as Speaker of the House and has been referred to the Committee on Rules. The petition is purportedly signed by 365 professors of law.

It is my purpose today to give the Members background information as to the origin and purpose of the petition which I feel will be very interesting and quite surprising to many of the Members of this body. May I make it clear at the outset that I am not attacking the motives of the individual signers of the petition. I am not acquainted with nor have I ever heard of most of the signers of the petition, therefore, I cannot impute any purpose of the National Committee Against Repressive Legislation to the persons whose signatures are affixed thereto. In addition, the petition is very artfully worded and contains several false charges and distortions, the belief of which could very well have prompted the signatures of many of the petitioners. Therefore, my remarks are not to be construed as attacking the motives or patriotism of any individual petitioner.

I do, however, question the wisdom of their judgment in view of the facts which may or may not have been known to the petitioners. The petition was framed, circulated, signatures solicited by and filed under the auspices of the National Committee Against Repressive Legislation. This is the committee that has charged, without merit I submit, that the House Committee on Un-American Activities merely changed its name in 1969 to the House Committee on Internal Security. Perhaps the explanation of this charge lies in the fact that the National Committee Against Repressive Legislation has had three different names. It was first established in 1960 under the name of the National Commit-

tee to abolish HUAC for the purpose of leading and directing the campaign of the Communist Party U.S.A. to abolish the House Committee on Un-American Activities. Seven of the national leaders of that time were identified as members of the Communist Party.

Today, it is a well-financed national organization that maintains a full-time Washington lobbyist. The leadership of the committee has changed to some extent over the years but the Communist influence still prevails. Frank Wilkinson, the committee's executive director, has been the sustaining force over the years. He has been described as the "brains and energy" behind the committee. Wilkinson was identified as a member of the Communist Party in sworn testimony by two undercover members of the Communist Party. Mrs. Anita Schneider and Robert Ronstadt, who reported to the FBI for several years. When Wilkinson appeared before the House Committee on Un-American Activities, he refused to answer questions concerning his Communist Party membership. He was later found guilty of contempt of Congress and after his conviction was upheld by the U.S. Supreme Court, he spent a year in Federal prison. Since that time, he has made a career out of efforts to abolish the House Committee on Un-American Activities and now the House Committee on Internal Security. Harvey O'Conner, the committee's national chairman, has been publicly identified as a member of the Communist Party. So has Richard Criley who heads the committee's midwest region as well as Carl and Anne Braden who operate its southern region.

The National Committee Against Repressive Legislation is the same committee that advanced the very esoteric position in 1969 as the National Committee to Abolish HUAC not to terminate the House Committee on Un-American Activities but to retain it on the ground that it could more easily be abolished than the House Committee on Internal Security. After the Committee on Internal Security was established, the National Committee to Abolish HUAC changed its name to the National Committee to Abolish HUAC/HCIS. Later the committee changed its name to the National Committee Against Repressive Legislation and adopted the fall back position of transferring the Committee on Internal Security to the Committee on Judiciary. This is not the first time that the national committee has filed a petition to abolish a House committee. In 1965, it filed a petition signed by 100 lawyers and professors of law to abolish the House Committee on Un-American Activities. So much for the history of the National Committee Against Repressive Legislation. Now for the petition itself.

The petition alleges that the primary function of the Committee on Internal Security is to probe and expose the beliefs, opinions, and associations of American citizens. Let us examine this allegation. In discussing the committee's authority as set forth in House rule XI, clause 11, the petition makes no distinction between the committee's bill ref-

erence and investigative functions respectively set forth in paragraph (a) and (b) of clause 11. It treats both clauses as conferring investigatory powers and then asserts on the basis of this imaginative construction that the committee's authority is "so vague and indefinite as to constitute very little limitation on the committee's authority." Since I have no doubt as to the general technical competence of both sponsors of this petition, I cannot attribute such patent misrepresentations to ignorance of, or inexperience with, congressional rules or processes.

For their information and for the information of those who may be misled by such distortions, I should emphasize that paragraph (a) of clause 11 is intended only for the guidance of the Speaker in making reference to the committee of bills, petitions, and similar matters, as provided in House rule XI. The subject matter for such references is briefly described as "Communist and other subversive activities affecting the internal security of the United States." This, of course, is in general terms as is characteristic of all bill reference provisions of the 21 standing committees of the House. However, this paragraph is not in any way intended to delineate the committee's investigatory power, nor does it affect private rights. The provision is solely for the internal management and assignment of work within the House.

On the other hand, paragraph (b) contains investigative authority with subpoena power—and describes this authority with precision. The Committee on Internal Security is one of only three committees of the House upon which investigative authority has been conferred by the standing rules. The subject matter for such investigations is set forth in three numbered subclauses within this paragraph (b). In short, subclause (1) authorizes inquiry into organizations which seek to establish a totalitarian dictatorship, or to overthrow the Government of the United States, by unlawful means. It is evident in the structure and punctuation of the subclause, that the "unlawful means" qualify "seek." Indeed, I cannot see how, as a practical matter, a totalitarian dictatorship could be established or maintained except by force. Subclause (2) authorizes inquiry into organizations which incite or employ acts of force or any unlawful means to obstruct the execution of Federal law. Subclause (3) is an oversight power related to the execution of laws on the foregoing subjects.

Thus, wholly to the contrary to the petition, the investigative powers of the committee are focused upon subversive organizational activities clearly involving illegal conduct or the use of force or violence, or such other means as may be made punishable under Federal law. The committee was not established for the purpose of investigating unpopular ideas or opinions as the petition alleges. This, in my opinion, is not only clear from the language and construction of the mandate itself but has been made clear in the legislative history of the mandate, at the time of its adoption and in the sev-

eral statements made by me on other occasions both within and without the House. I should also point out that in no instance has this committee ever departed in any of its investigations from the limitations imposed upon it by the House mandate or by the Constitution of the United States.

Nor are the distortions in this petition limited to a misconstruction of the committee's mandate. The petition also misrepresents the legislative function of the committee by comparing it with other committees which have no investigative authority and conduct no investigations. It ignores the fact that a principal function of the Committee on Internal Security is its investigative function which is intended to serve all committees of the House. These investigations, which occupy a substantial part of the committee's time and which produce much information, have not been noted. Information thus provided has, in fact, inspired a great deal of legislation reported from other committees as parts of bills within the scope of the committee's investigations, although the predominant portion of such bills were on other or general subjects referred to such other committees. Ignoring this fundamental and important work of the committee, the petitioners state that since 1945 only 6 pieces of legislation "emanating from the committee have been enacted into law." If these statistics were supplied by Frank Wilkinson, the identified Communist functionary who serves as executive director of the organization under whose aegis Countryman and Emerson are operating, they might want to get together with other persons in the Communist movement who have given figures on this subject that are more favorable to the committee's cause, although not intended as such.

In pleadings filed in the U.S. District Court for the Northern District of Illinois, Jeremiah Stamler, Yolanda Hall, and Milton M. Cohen have credited this committee and its predecessor with at least 19 pieces of legislation since 1945. If we are to play the numbers game, I would supply figures that might double that number, without including the considerable body of rules and regulations adopted by the executive branch which have been prompted by the committee's investigations. Nor do I mention the several bills which have passed the House but were not acted upon in the Senate. However, I do not think that this or any committee of the House wants to play the numbers game. I will stand upon the extent and quality of the committee's work, its record of accomplishment, and the clear necessity, in these troubled times, for its continuance.

It is obvious that when the sponsors of this petition say they do not oppose "the legitimate use of legislative powers to deal with matters of internal security, they are only paying lip-service to a proposition which they cannot forthrightly deny without grossly affronting the intelligence of the House and of the American people. But that they are in fact opposing the legitimate use of legislative powers to deal with matters of in-

ternal security is precisely their position. Their suggestion for amending the House rules is but an ill-disguised effort to frustrate and eliminate all investigation of the sort so necessary to enable the Congress to function on matters of the kind and for a purpose they say they do not oppose.

They would amend House rule XI to add to the jurisdiction of the Judiciary Committee the authority to consider sabotage and other overt acts affecting internal security. I cannot imagine a statement more vague and indefinite in its terms. Nor could an amendment be more appropriately designed to frustrate all investigation or inquiry into subversion, whether by the Judiciary or some other committee.

Apart from the vagueness of this purported transfer of authority, by such action they confer only a slightly modified bill-reference authority upon the Judiciary Committee. They would make no other change in the mandate of that committee, which presently has no investigative authority by the standing rules, and would thus have no investigative authority in the area of subversion if the change proposed by the sponsors of this petition were adopted. It is evident that by this form of deception the sponsors of this petition seek to accomplish the ultimate purpose of wholly suppressing all inquiry upon subjects pertinent to the country's security and to the free functioning of its democratic institutions.

The Committee on Internal Security is also attacked in the petition for maintaining extensive files of publicly documented information and it urges that the committee's files be consigned to the Archives, "not to be opened for official or public inspection for 50 years." I am sure all of us realize that Congress cannot legislate intelligently in the field of national security nor act wisely in many related areas unless it has up-to-date and reliable data. No investigative committee, no matter what its area of jurisdiction can operate effectively and on the job it is supposed to do without files containing background information on the organizations, movements and individuals with which it is concerned. Where the purposes of an organization and the nature of its connections with others is at issue, of course, past conduct is pertinent.

The Committee on Internal Security would be guilty of negligence if it did not maintain its referenced files of relevant organizations and the individuals connected with them. Without these references the committee would not be in a position to make sound and reasoned judgments about the present nature and aims of numerous organizations coming within its mandate. Lacking the data with which to make such judgments, it would be incapable of performing the duty assigned it by the House.

There is no foundation in law—or in reason—for the assertion that the maintenance of the committee's files is destructive of individual rights, a perversion of governmental process and something which no self-respecting citizen can tolerate. The opposite is true. A

democratic government owes a fundamental obligation to its people to preserve and protect itself from forceful overthrow. Without the continuation of a constitutional form of government, no citizen will have the benefits of the Bill of Rights. The Government cannot preserve itself if it is not informed about hostile forces within, or without adequate legislation.

All other issues aside, placing the committee's files in the Archives with a complete ban on any access to them by anyone, would be the grossest form of anti-intellectualism. It would be a kind of book-burning. It would be the suppression of free speech in the name of the first amendment. It would deny the House of Representatives the right to be kept informed by means of its own records.

In closing, Mr. Speaker, I would ask that the Members closely examine the wording of the petition and the efforts of the National Committee Against Repressive Legislation. The petition is very cleverly worded with the expressed intention of protecting first amendment rights by transferring the jurisdiction of the House Committee on Internal Security to a subcommittee of the House Committee on the Judiciary. But is this the real purpose of the National Committee Against Repressive Legislation or is it to eliminate all inquiries into subversive activities? If the latter is not the real purpose, why does the national committee also have as its national objective the abolition of the Senate Committee on Internal Security? The Senate Committee on Internal Security is already a subcommittee of the Senate Committee on the Judiciary.

#### PEACE IN VIETNAM

(Ms. ABZUG asked and was given permission to address the House for 1 minute.)

Ms. ABZUG. Mr. Speaker, I would take this occasion of the President's 60th birthday to make a very fervent plea that the present negotiations, which are taking place now in Paris, lead to a final agreement along the lines negotiated on October 26, when our representative, Dr. Kissinger, said that peace was at hand 99 percent and the North Vietnamese said 100 percent.

I would hope that the occasion of the birthday of the President would make him realize the value of life, Vietnamese and American. My constituents—and yours, too—very much oppose the resumption of the terror bombing, and look to this House to see to it that peace will indeed come to hand, even if the President and his negotiator in Paris do not.

I was distressed at finding out that when the congressional leaders came to see the President they were merely given a statement without an opportunity to discuss with the President how their constituents feel about the need to end this war.

Mr. Nixon should hear the roar of outrage that we hear, from the people who voted for him as well as from those who did not. He must realize that he was re-

elected with a mandate to make peace—not to wage newer and more terrible war. He must listen, because this Congress is determined to act.

My birthday wish for the President is that he may listen, and find his heart moved to end the suffering.

#### COLLEGE SCHOLARSHIP INFORMATION

Mr. BENNETT. Mr. Speaker, as you well know, the cost of higher education has skyrocketed in recent years, making it increasingly difficult for graduating high school seniors to attend the college or university of their choice. As a result, I have received numerous requests from young constituents asking for assistance in finding the necessary financial aid.

My administrative assistant, Nicholas Van Nelson has spent many hours researching this matter and has helped me to prepare a special college scholarship booklet, which I am now making available to the high school seniors in my district. I feel it may be helpful to other Members who have young constituents with similar problems and I insert it in the RECORD for this purpose:

##### CONGRESSMAN BENNETT'S SCHOLARSHIP BOOKLET

##### INFORMATION FOR STUDENTS

(Furnished by Congressman CHARLES E. BENNETT)

As you approach the critical period of your life, in selecting what you plan to do in regard to your future education, I felt the attached information might be of help to you. In 1972, 7,097 students were graduated from the Duval County public school system and almost half went to college. This percentage has greatly increased in recent years and has placed great demands on the Nation's colleges and universities; and living costs have risen for students as have their direct expenses for education.

The Federal Government has initiated several scholarship and loan programs for students along with other private and public groups. The best sources of information on scholarships and loans are your high school guidance counselor and the college financial aid officer. I am pleased to send you the enclosed information on college scholarships and loans and I hope you find it useful.

CHARLES E. BENNETT,  
Member of Congress.

##### FINANCIAL AID BOOK-SHELF

There are many books about financial aid for students. Here are a few that tell about privately operated aid programs, as well as those operated by the Office of Education and other Federal agencies:

"Comparative Guide to American Colleges for Students, Parents, and Counselors," by James Cass and Max Birnbaum. Published by Harper and Row, 49 East 33rd Street, New York, 10016. Paperback \$5.95.

"How About College Financing?" by S. Norman Feingold. Published by the American Personnel and Guidance Association, 1605 New Hampshire Avenue, N.W., Washington, D.C. 20009. 30¢.

"Need a Lift?" American Legion Scholarship Information Service, Box 1055, Indianapolis, Indiana, 46206. 50¢.

"Nursing Student Loan Program: Information for Students." U.S. Public Health Service, Washington, D.C. 20201. Single copies free.

"The Health Professions Student Loan Program." U.S. Public Health Service, Washington, D.C., 20201. Single copies free.

"A Letter to Parents: Financial Aid for

College," by Sidney Margolius. Available from the College Entrance Examination Board, 475 Riverside Drive, New York, New York 10027. 1970, single copies free.

"Financial Aids for Students Entering College," by William C. Brown Company, Dubuque, Iowa, 52001. Paperback, Fifth Edition, 1971. \$8.75.

"College Costs Today," New York Life Insurance Company, Career Information Service, Box 51, Madison Square Station, New York, New York, 10010. Free.

"Facing Facts About College Costs," by the Prudential Insurance Company Office, P.O. Box 4579, 841 Miami Road, Jacksonville, Florida 32207. Free.

"How and where to Get Scholarships and Loans," by J. L. Angel. Second edition. New York: World Trade Academy Press, 1968. 256 p. Cloth, \$6.50; paper, \$3.50. (Distributed by Regents Publishing Co., 200 Park Avenue South, New York, New York 10003.)

"U.S. Congress, House, Committee on Education and Labor, a Guide to Student Assistance," by U.S. Government Printing Office, Washington, D.C. 20401, 1970. 60¢.

"U.S. Congress, Senate, Committee on Labor and Public Welfare, Federal and State Student Aid Programs," by U.S. Government Printing Office, Washington, D.C., 20401, 1972. 45¢.

"U.S. National Science Foundation, Guide to Programs," by U.S. Government Printing Office, Washington, D.C., 20401, 1972. 75¢.

"U.S. Office of Education, How the Office of Education Assists College Students and Colleges," by U.S. Government Printing Office, Washington, D.C., 20401, 1970. 70¢.

#### FEDERAL PROGRAMS

The Federal Government offers a variety of financial aids to students for education beyond high school. The following is an attempt to present those programs which might have significance in assisting an individual pursue a course of post-secondary education. This summary provides brief descriptive information about student assistance programs which relate to undergraduate education, as well as the major and more general graduate programs. Other financial aids to individuals for post-secondary education, including the more specialized graduate fellowships and traineeships, are listed in the last section. It should be noted that U.S. Government inservice education and training programs, servicemen's off-duty education programs and the research grant programs are not within the scope of this compilation.

For information on the National Defense Student Loan Program, Educational Opportunity Grants Program and the College Work-Study Program, write the Division of Student Assistance, Bureau of Higher Education, U.S. Office of Education, Washington, D.C. 20202.

##### 1. Federal student loan insurance program

The Higher Education Act provides low interest insured loans and payments to reduce interest costs for students in institutions of higher education. Loans may be obtained from participating lenders for educational expenses in maximum amounts of \$2,500 per academic year, the aggregate not to exceed \$7,500 for an undergraduate student and \$10,000 for a graduate or professional student.

##### 2. Training for teachers of handicapped children

Grants are available through selected institutions for individuals for training as teachers or specially trained educational personnel for children who are mentally retarded, seriously emotionally disturbed, hearing, speech or sight impaired, crippled, or otherwise health impaired. (Available are traineeship grants for full-time senior year undergraduate study; fellowships for full-

time graduate study; and short-term traineeship grants for full-time summer sessions or special study institutes.) Information about these programs may be obtained from: Division of Training Programs, Bureau of Education for the Handicapped, U.S. Office of Education, Washington, D.C. 20202.

### 3. Cuban refugee loans

Loans are provided to Cuban nationals in need of funds to continue their education and who are unable to receive support from inside Cuba. Recipients must be accepted as full-or-half-time students in an institution of higher education and must maintain a satisfactory record. The maximum amount of the loan may not exceed \$1,000 a year or \$500 a semester. The loans are granted by participating institutions of higher education from a loan fund established with Federal funds. Repayment of the loan is made by the student to the Office of Education. For further information: Division of Student Financial Aid, Bureau of Higher Education, U.S. Office of Education, Washington, D.C., 20202.

### 4. Scholarship pamphlet

Navy scholarship pamphlet describes certain scholarship opportunities for dependents of active, retired and deceased naval personnel. The pamphlet may be obtained by writing to the Bureau of Naval Personnel, Family Services Section, Attention: Pers 511, Department of the Navy, Washington, D.C. 20370.

### 5. Modern foreign language fellowship program

This program, authorized by the National Defense Education Act, provides for awards to undergraduates, and postdoctoral students for advanced training in certain modern languages. Undergraduates must have had at least one year of formal college work or the equivalent in the language they propose to study. Persons training to become elementary or secondary school teachers are not eligible.

Candidates must apply for fellowships directly to the U.S. Institution of Higher Education with appropriate programs. Inquiries may be addressed to the Language Section, Division of Foreign Studies, Institute of International Studies, U.S. Office of Education, Washington, D.C. 20202.

### 6. Fellowships for Librarianship training

The Higher Education Act of 1965 authorizes Federal grants to institutions of higher education for use in their programs of librarianship training. Grants could be used for financing fellowships of traineeships for persons engaged in such training. For further information: Division of Library Programs, Bureau of Libraries and Educational Technology, U.S. Office of Education, Washington, D.C. 20202.

### 7. Public health service

**A. Nursing Student Loan Program.**—The Nurse Training Act of 1964 established a low-interest loan program for students in all types of professional nursing schools including collegiate, associate degree, and diploma schools. The maximum amount of loan may not exceed \$2,500 a year. Up to 85% of the amount of the loan may be cancelled at the rate of 15% for first 3 years, 20% for fourth and fifth years for each complete year of full-time employment as a professional nurse in any public or nonprofit institution or agency. Students apply directly to participating institutions for a loan. For further information: Student Loan and Scholarship Section, Nursing Education Branch, Bureau of Health Manpower Education, National Institute of Health, Bethesda, Maryland 20014.

**B. Health Professions Student Loan Program.**—The Health Professions Educational Assistance Act established this loan program to assist students who have the capacity and ambition to pursue certain careers in the health professions but who would not otherwise be able to afford training.

Loan funds are granted to either public or private nonprofit institutions which administer the funds. Loans can be made only to full-time students who are pursuing courses leading to degrees in medicine, dentistry, osteopathy, optometry, pharmacy and podiatry, and who are not receiving National Defense Education Act funds. Loans are limited to \$3,500 per student per academic year and are repayable over a ten-year period beginning three years after the student finishes his full-time study. Students apply directly to the participating institution for a loan.

Under 1965 amendments up to 85% of a loan made under this program to a student of medicine, dentistry, optometry or osteopathy may be cancelled at the rate of 30% for first and second years, 25% for third year for each year the student engages in the practice of his profession in an area of a State determined by a State health authority to have a shortage of and need for practitioners of that profession. For further information: Grants Management Staff, Division of Physicians and Health Professions Education, Bureau of Health Manpower Education, National Institutes of Health, Bethesda, Maryland 20014.

**C. Scholarship Grants in the Health Professions.**—A program of Federal grants to public and other nonprofit schools of medicine, osteopathy, dentistry, optometry, podiatry and pharmacy is established for use by those schools in awarding scholarships to students from low-income families. The amount of a scholarship to a student cannot exceed \$3,500 a year.

Scholarships will be awarded by the schools and only to students who without financial assistance could not otherwise pursue a course of study at the school. For further information: Grants Management Staff, Division of Physicians and Health Professions Education, Bureau of Health Manpower Education, National Institutes of Health, Bethesda, Maryland 20014.

### 8. Veterans' Administration

**Educational Assistance for Children of Deceased or Disabled Veterans.**—This program provides assistance for both college and below-college education to children of veterans who died from injury or disease or who are permanently and totally disabled resulting from military service in World War I, World War II, Korea, and Vietnam or under certain conditions during the entire period for which persons are liable for induction into military service and during peacetime periods after the Spanish-American War and prior to September 16, 1940. A maximum of 36 months of training and education may be obtained with payments of \$220 per month paid upon completion of each month of full-time training, \$165 for three-fourths-time training, and \$110 for half-time training. For further information: Contact the nearest Veterans' Administration Office or Veterans' Administration, Washington, D.C., 20420.

### 9. Department of Defense (and other agencies)

**A. Reserve Officers Training Corps (ROTC).**—Three branches of the Armed Forces (Navy, Army, and Air Force) which maintain Reserve Officer training programs at selected institutions of higher education frequently provide a cash stipend for participants. In addition, the Army, Navy and the Air Force, for the purpose of producing career officers, subsidize a four-year college education at civilian institutions which operate a ROTC program. The armed services pay all tuition and fees, travel to and from the university, and provide a subsistence allowance to each enrollee. Students are selected in open competition through a competitive exam, interview with career officers, and final selection by a committee in each State. Inquiries should be directed to the Chairman of the Department of Military Science of the

institution in which the student plans to enroll, or to the Department of Defense, Washington, D.C. 20220.

**B. U.S. Service Academies.**—Students interested in military or naval careers may compete for appointment to the service academies, which include the U.S. Military Academy at West Point, New York 10996; the U.S. Naval Academy at Annapolis, Maryland 21402; the U.S. Air Force Academy at Colorado Springs, Colorado 80840; the U.S. Coast Guard Academy at New London, Connecticut 06320; or the U.S. Merchant Marine Academy at Kings Point, New York 11024. No charge is made for tuition, room, board, books or fees at these schools. Inquiries about appointments should be directed to Congressman Charles E. Bennett, 2113 Rayburn House Office Building, Washington, D.C. 20515.

### 10. National Science Foundation

**Student Originated Studies in Science.**—This program is operated in selected colleges and universities throughout the United States to provide an opportunity for the most talented and highly qualified undergraduates to carry out a research project in their field of scientific interest. During the academic year or summer term, each participant becomes the junior colleague of an experienced scientist for the purpose of learning the procedures of scientific research through first-hand experience.

### 11. National Foundation on the Arts and the Humanities

**Fellowships in the Humanities.**—The National Endowment for the Humanities established as part of the National Foundation on the Arts and the Humanities will award fellowships and grants to institutions or individuals for training and workshops in the humanities. Fellowships awarded to individuals may be for the purpose of study or research at appropriate nonprofit institutions selected by the recipient of such aid for stated periods of time. For further information: The National Endowment for the Humanities, National Foundation on the Arts and the Humanities, Washington, D.C. 20506.

### 12. Vocational Rehabilitation Administration

**Training for Careers in Vocational Rehabilitation.**—Traineeships and fellowships may be awarded through institutions of higher education to selected students for training for careers in rehabilitating disabled persons. For further information: Division of Training, Rehabilitation Services Administration, Social and Rehabilitation Service, Department of Health, Education, and Welfare, Washington, D.C. 20201.

### 13. Department of Labor

**Manpower Development and Training Act.**—The Manpower Development and Training Act of 1962, provides occupational training for unemployed and underemployed persons, to assist them in gaining skills for full-time employment. Training may be given on the job or in public or private school facilities. Priority is given to trainees under 22 and over 45 years of age. For further information: Division of Manpower Development and Training, Bureau of Adult, Vocational and Technical Education, United States Department of Education, Washington, D.C. 20202.

### 14. Social Security Administration

**Social Security Benefits for Children Aged 18-21 Attending School.**—Social Security Amendments of 1965 include a provision to continue payment of insurance benefits to children aged 18 through 21 who are full-time students attending public and private schools, including vocational schools, and colleges and universities. Children of deceased, retired or disabled workers are eligible. Benefits will be paid retroactively to children who would have been eligible in January, 1965. For further information con-

tact the local Social Security office, 400 West Bay Street, Jacksonville, Florida 32202.

#### 15. Welfare Administration

**Aid to Families with Dependent Children**  
**Payments to Children Aged 18-20 Attending School.**—The Aid to Families with Dependent Children program provides that payments may, at the discretion of the State, be made to aid children aged 18 through 20 who are regularly attending a school, college, or university, or vocational or technical training course. For further information contact the Florida Department of Public Welfare, P.O. Box 1199, District 6, Jacksonville, Florida 32201.

#### 16. Federal Agency Cooperative Education Programs

A number of Federal agencies employ students under cooperative education programs which provide alternating periods of work and study. The work phase for which the student is compensated is considered a regular, continuing and essential element in the educational process and is included in the cooperative college's requirements for a degree. Most programs require five years to complete. Among the agencies with work-study programs for student trainees are the Department of the Air Force, Department of the Army, Department of Commerce, Department of the Navy, Treasury Department, Federal Communications Commission, General Services Administration, and National Aeronautics and Space Administration. Inquiries should be directed to the agency or department in which employment is desired or to the U.S. Civil Service Commission, Washington, D.C. 20415.

#### SELECTED NATIONAL PROGRAMS

The following list of privately financed nationwide student assistance programs was compiled from numerous reference sources and correspondences with certain sponsoring organizations. Since there is no central clearinghouse of information concerning such assistance, this compilation should not be considered a complete list.

**Advertising Federation of America**, Bureau of Education and Research, 655 Madison Avenue, New York, New York 10021. The federation is a source for information on scholarships in advertising, marketing, and related fields, offered by advertising clubs in various states.

**Air Forces Aid Society** (Gen. Henry H. Arnold Educational Fund), Director, Air Force Aid Society, 1117 North 19th Street, Arlington, Virginia 22209. Grants and loans are given to children of U.S. Air Force and Army Air Force personnel (deceased, retired, and on active duty). In addition, the Air Force through the U.S. Air Force Central Welfare Education Assistance Program provides financial assistance to a limited number of dependent children of Air Force military members to obtain a college education. Under this program, Air Force Central Welfare Funds are used to support four-year Air Force Merit Scholarships. Air Force Regulations 214-3 contains details concerning eligibility criteria and application procedures. The regulation and additional information about the program may be obtained from the Personnel Services Officer at any Air Force Base.

**Alcoa Foundation**, Aluminum Company of America, 1501 Alcoa Building, Pittsburgh, Pennsylvania 15219. Approximately 215 scholarships, 65 awarded each year, valued at \$750 per year, are available to children of employees of the company.

**Allstate Foundation**, National League for Nursing, 10 Columbus Circle, New York, New York 10019. The Foundation provides nursing education scholarships annually to approximately 200 persons. The scholarships are administered through state chapters of the National League for Nursing and provides funds to meet tuition charges in hos-

pital schools of nursing or college schools of nursing.

**Alpha Phi Alpha Fraternity, Inc.**, 4432 South Parkway, Chicago, Illinois 60655. Scholarships are awarded to high school graduates accepted for admission to Cornell University. Information concerning applications may be obtained from the Office of Scholarships and Financial Aid, Cornell University, Ithaca, New York 14850.

**American Association for Health, Physical Education and Recreation**, 1201 16th Street, N.W. Washington, D.C. 20036. A. R. Moore physical education scholarships are awarded to high school graduates who are interested in teaching physical education.

**American Baptist Student Aid Fund**, **American Baptist Board of Education**, Valley Forge, Pa., 19481. National Scholarships are awarded to American Baptist students in need of financial help to continue their education. Larger awards are made to students wishing to attend colleges related to American Baptist Convention.

**American Can Company**, American Lane, Greenwich, Conn., 06830. Approximately 14 full-tuition scholarships are awarded to children of employees of the company to attend approved colleges of applicants' choice.

**American Hotel Association**, 221 West 57th Street, New York, New York 10019. Foundation scholarships are awarded to high school graduates planning to study hotel and restaurant administration; study must be at an institution which offers a B.S. degree in this field.

**The American Legion**, Americanism Division, Education and Scholarship Program, Box 1055, Indianapolis, Indiana 46206. The Legion sponsors the following scholarships: (1) The American Legion "National High School Oratorical Contest" which awards four scholarships ranging in value from \$2,000 to \$8,000 for attendance at any U.S. college or university. (2) The American Legion Auxiliary "National President's Scholarships;" Two in each of five divisions; valued at \$1,000 to \$1,500 each; and awarded to female students who are children of veterans having served in World War I or II, Korea and Vietnam, seniors at or graduates from an accredited high school who have not begun college and who need financial help. The Legion also has information on the La Verne Noyes scholarships offered to persons who are blood descendants of someone who served in the U.S. Army or Navy during World War I, and whose service was ended by death or honorable discharge. These scholarships are awarded to 49 colleges and universities in the United States.

**American Trucking Associations, Inc.**, 1616 P Street, N.W., Washington, D.C. 20036. Affiliates of the association provide a variety of scholarships including those for children of company employees, general scholarships, and other educational aids. A list may be obtained by writing to the above address.

**American Wool Council**, 200 Clayton Street, Denver, Colorado 80206. The council sponsors a national sewing contest ("Make It Yourself With Wool") which awards scholarships ranging from \$100 to \$1,000.

**AMVETS National Headquarters**, 1710 Rhode Island Avenue, N.W., Washington, D. C. 20036. Scholarships of a value up to \$2,000 are awarded to high school seniors who are children of deceased or totally disabled veterans of World War II, the Korean conflict or Vietnam.

**Armco Steel Corporation**, 703 Curtis, Middletown, Ohio 45042. The Armco-NSPE Civil Engineering scholarships, administered by the National Society of Professional Engineers (2029 K Street, Washington, D. C. 20006) are valued at \$750 a year and are given to students planning to study civil engineering.

**Armed Forces Relief and Benefit Association**, 1156 15th Street, N.W., Washington,

D.C. 20005. The association offers one-year loans limited to \$500 to children of officers of the uniformed services on active duty.

**Army Relief Society**, 26 Federal Plaza, Room 1733, New York, New York 10007. Scholarships, special awards, and loans are offered to the children of deceased Regular Army officers and enlisted personnel.

**Bausch and Lomb Optical Company**, 635 St. Paul, Rochester, New York 14605. Scholarships are awarded annually to outstanding science students for study at the University of Rochester, Rochester, New York 14627. Application should be made to the university.

**Board of Christian Education**, The United Presbyterian Church in the U.S.A., Office of Educational Loans and Scholarships, 425 Witherspoon Building, Philadelphia, Pa., 19107. The board offers scholarships to members of the church who plan to attend one of the colleges related to the United Presbyterian Church, U.S.A.

**Board of Education of the Methodist Church**, Department of Student Loans and Scholarships, P.O. Box 871, Nashville, Tennessee 37202. The board offers scholarships and loans to Methodist students who plan to attend Methodist institutions of higher education.

**Boys' Clubs of America**, 771 First Avenue, New York, New York 10009. The organization gives scholarships of various types to students with an expressed interest in and potential for Boys' Club work.

**Boy Scouts of America**, National Council, New Brunswick, New Jersey 08902. The council provides a listing of various scholarships available to Boy Scouts.

**Broadcast Music, Inc.**, 589 Fifth Avenue, New York, New York 10017. Awards of an approximate value ranging from \$250 to \$2,000 are made to student composers.

**Burlington Industries Foundation**, 301 North Eugene Street, Greensboro, North Carolina, 27420. The foundation gives loans to eligible employees and children of employees of the industries.

**Carnation Company Scholarship Foundation**, The Carnation Building, 5045 Wilshire Boulevard, Los Angeles, California 90036. Approximately 70 Elbridge A. Stuart scholarships for full tuition at institution accepting awardee, plus \$500 stipend per year are awarded to children of Carnation Company employees who plan to attend not only a college or university but such educational institutions as accredited trade, vocation, technical schools and art schools or music conservatories.

**Civitan International**, Civitan Building, 115 North 21st Street, Birmingham, Alabama 35203. The group offers three scholarships ranging in value from \$250 to \$1,200 to high school winners of a Civitan Citizenship Essay Contest sponsored by a local chapter.

**College Tuition Exchange Plan**, Tuition Exchange Office, Williams College, Williamsburg, Massachusetts 01287. More than 200 private colleges and universities exchange faculty members' children tuition-free. Recipients must be children of full-time faculty staff at one of the participating institutions.

**Continental Oil Company**, Post Office Box 2197, Houston, Texas 77001. Conoco scholarships value at \$500 per year are awarded to children of employees of the company.

**Cummins Engine Foundation**, 1000 Fifth Street, Columbus, Indiana 47201. The foundation offers scholarships to children of employees of the Cummins Engine Company.

**Distributive Education Clubs of America (DECA) Foundation**, 200 Park Avenue, Falls Church, Virginia 22046. Scholarship loans are awarded to high school seniors or graduates, former or active DECA members, to pursue courses in marketing, distribution, or distributive education.

**De Molay Foundation**, 201 East Armour Boulevard, Kansas City, Missouri 64111.

Grants up to \$600 a year are given with preference to members of the Order of De Molay or children of former members.

**Disabled American Veterans Auxiliary**, 130 63rd Street, South St. Petersburg, Fla., 33707. The auxiliary gives \$200 maximum interest-free loans per year maximum total loan of \$800 to children of members of the Disabled Veterans or its auxiliary.

**Eagles' Memorial Foundation**, 4710 14th Street, W., Bradenton, Florida 33505. As part of its program, the foundation provides the following financial assistance for eligible minor orphan children of Fraternal Order of Eagle members: "the \* \* \* cost of attendance at a State college or university of the State in which the student resides or to a vocational school for special training."

**Education Council of the Graphic Arts Industry, Inc.**, 4615 Forbes Avenue, Pittsburgh, Pa. 15213. The council's national scholarship trust fund provides for (1) approximately 20 four-year scholarships to be used at colleges and universities offering degree programs or majors in printing design, printing teaching, printing management and technology. The value of the scholarships range from \$100 to \$1,500 a year. (2) Additional scholarships offered by several companies, foundations, and other donors in the industry. Recipients of these scholarships are selected from special groups such as children of employees and students residing in specified communities.

**Elks National Foundation**, 2750 Lake View Avenue, Chicago, Illinois 60614. "The most valuable student" awards are made by the foundation trustees and range in value from \$600 to \$2,500.

**Fifth Marine Division Association**, Headquarters U.S. Marine Corps, Washington, D.C. 20025. Scholarships are provided to children of men who become "incapacitated" while serving with the 5th Marine Division. Recipients receive a maximum of \$1,000 annually to attend an accredited university, college, technical or professional school of their choice.

**Firesstone Tire and Rubber Company**, 1200 Firestone Parkway, Akron, Ohio 44317. Approximately 35 scholarships are awarded annually to children of the company's employees for payment of tuition and other fees up to a maximum amount of \$1,750 a year.

**First Marine Division Association**, Box 84, Alexandria, Virginia 22313. The association offers scholarships to the children of deceased or totally disabled veterans who served in the 1st Marine Division.

**Food Fair Stores, Inc.**, Box 457, 7000 N.W. 32nd Avenue, Miami, Florida 33147. More than 60 scholarships are awarded annually to Food Fair Stores employees, their children and residents of a community served by the stores. Awards range approximately from \$250 to \$500 per year.

**Ford Motor Company**, The American Road, Dearborn, Michigan 48127. Student loans of \$1,500 a year are available for children of Company employees.

**General Electric Company**, Education Committee, Crotonville, P. O. Box 151, Ossining, New York 10562. The company offers scholarships and loans of a maximum of \$1,500 a year for children of employees.

**General Mills, Inc.**, c/o Paul S. Amidon and Associates, Inc., 9200 Wayzata Boulevard, Minneapolis, Minnesota 55440. The company sponsors the "American Homemaker of Tomorrow Contest" in which senior high school girls have an opportunity to win scholarships ranging from \$500 to \$5,000.

**General Motors Corporation**, General Motors Building, Detroit, Michigan 48202. Under the college plan approximately 136 four-year scholarships ranging in value from \$200 to \$2,000 per year are made available through 125 colleges and universities, to high school graduates.

**Grant (W. T.) Company**, c/o Grant Charitable Trust, 1441 Broadway, New York, New York 10018. The company offers at least five scholarships annually ranging from \$200 to \$2,500 per year for eligible employees or children of employees.

**Heinz (H. J.) Company**, c/o National Restaurant Association, 1530 North Lake Shore Drive, Chicago, Illinois 60610. The association administers five H. J. Heinz scholarship awards valued at \$1,000 for four years, maximum of \$3,000, which are offered to students who plan to study a college or university four-year course of food service administration.

**Independent Order of Odd Fellows**, Educational Foundation, P.O. Box 214, Connersville, Indiana 47731. The foundation operates a revolving loan fund. Loans are made to high school graduates for study in any recognized school including business schools, beauty culture schools, barber colleges, or for any course offering immediate opportunity for employment.

**Institute of Food Technologists**, 221 N. LaSalle Street, Chicago, Illinois 60601. The institute offers approximately 15 scholarships valued at \$500 a year for high school graduates planning to study in the field of food technology, food engineering, and food science.

**The Insured Tuition Payment Plan**, 6 St. James Avenue, Boston, Massachusetts 02116. A commercial loan program for parents to pay for their child's education is offered by the Insured Tuition Payment Plan.

**Junior Achievement, Inc.**, 51 West 51st Street, New York, New York 10019. The corporation offers scholarships to students who are members of Junior Achievement.

**Kemper (James S.) Foundation**, Mutual Insurance Building, Chicago, Illinois 60640. The foundation annually sponsors scholarships for study in the field of insurance administration in approximately 18 institutions of higher education.

**Knights of Columbus Educational Trust Fund**, Drawer 1670, New Haven, Connecticut 06501. The Knights of Columbus offer scholarships for attendance at a Catholic college or university to children of members who were killed or totally or permanently disabled during World War II, the Korean conflict, or the conflict in Vietnam.

**Merrill Lynch, Pierce, Fenner and Smith**, 70 Pine Street, New York, New York 10005. The firm offers scholarships for children of eligible employees.

**National Achievement Scholarship Program**, National Merit Scholarship Corporation, 90 Grove Street, Evanston, Illinois 60201. The corporation, with financial help from the Ford Foundation, administers the National Achievement Scholarship Program in which approximately 200 scholarships ranging in value with \$250 to \$1,500 are awarded annually to Negro students.

**National Association of Secondary-School Principals**, 1201 16th Street, N.W., Washington, D.C. 20036. The association, together with several business concerns, provides funds for the awarding of the National Honor Society Scholarships to members of the Society.

**National Committee for Careers in Medical Technology**, 9650 Rockville Pike, Bethesda, Maryland 20014. The committee is a source for information on scholarships and loans in medical technology and cytotechnology.

**National 4-H Service Committee, Inc.**, 59 East Van Buren Street, Chicago, Illinois 60605. The service committee arranges and announces several awards, including scholarships for 4-H members who, in general, must apply them toward study at a State land-grant college or university.

**The National Foundation**, 800 Second Avenue, New York, New York 10009. Local chapters of the foundation sponsor scholarships for the study of nursing, occupational ther-

apy or physical therapy to be used at accredited institutions of higher education. The National Foundation advises contacting local chapter for specific information.

**National Merit Scholarship Corporation**, 90 Grove Street, Evanston, Illinois 60201. "Merit Scholarships financed through the Ford Foundation grant are known as *National Merit Scholarships*. Merit Scholarships provided by business corporation, foundations, colleges, unions, professional associations, trusts, and individuals usually bear the name of the sponsor—for example, *Shell Merit Scholarships*. The *Honorary Merit Scholarships* involve no financial commitments. A Merit scholarship is a four-year award to be used at an accredited college of the student's choice. The college must be located in the U.S., and the recipient's program of study must lead to one of the usual baccalaureate degrees. The scholar is responsible for making arrangements with his college and for fulfilling its admissions requirements." Contestants must take the National Merit Scholarship Qualifying Test in March of their junior year. Students who qualify for the semifinal test take it in September of their senior year. "The National Merit Scholarship Qualifying Test" is a three-hour test of educational development. A new form of the test is designed each year for the Merit Program by Science Research Associates. This test is composed of five subtests (English usage, social studies reading, natural sciences reading, mathematics usage, and word usage). The test is designed to measure the student's ability to use what he has learned, to think critically and to apply factual information to the solution of problems. Emphasis is on the broader intellectual skills taught in all secondary schools. In brief, the NMSQT is a test of readiness for college that measures both aptitude and attainment; its purpose is to discover those bright students who have applied their abilities.

**National Scholarship Service and Fund for Negro Students**, 1776 Broadway, New York, New York 10019. The service and fund awards supplementary scholarships of a value up to \$400 for Negro students who have already received other financial aid but are in need of additional assistance. The awards may be used at any accredited interracial institution of higher education which grants degrees.

**National Science Teachers Association**, 1201 16th Street, N.W., Washington, D.C. 20036. The association administers the "Tomorrow's Scientists and Engineers" program. Include awards to students in grades 7 through 12.

**The Newspaper Fund**, P. O. Box 300, Princeton, New Jersey 08540. Among other activities, the fund offers scholarships to students planning to study journalism.

**Nurses Educational Fund, Inc.**, 10 Columbus Circle, New York, New York 10019. Scholarships are available for students to study nursing at accredited institutions of higher education of their choice.

**Navy Wives Clubs of America**, Dependents Aid Section (Pers-G24), Department of the Navy, Washington, D.C. 20370. Scholarships valued up to \$400 for the freshman year are awarded to children of enlisted active, retired, or deceased members of the U.S. Navy, Marine Corps, or Coast Guard.

**Noyes (Jesse Smith) Foundation, Inc.**, Inquire of your Student Aid Officer of the college you enter. The foundation provides scholarship and loan funds to participating institutions of higher education for financial assistance to needy students.

**Phillips Petroleum Company**, Phillips Building, Bartlesville, Oklahoma 74004. The company offers scholarships valued at \$500 a year to children of its direct, full-time employees.

**Radio Corporation of America**, RCA Education Committee, RCA, Princeton, New Jersey 08540. The corporation makes available scholarships at 34 institutions of higher

education to students enrolled in the schools and planning to major in music, dramatic arts, industrial relations, television training, and science. They range in value up to \$800.

*Retired Officers Association*, 1625 I Street, N.W., Washington, D.C. 20006. The association offers interest-free loans valued up to \$1,000 a year for children of deceased, retired, or active members of the U.S. Armed Forces, Environmental Science Services Administration, or Public Health Service.

*Scholastic Magazine*, 50 West 44th Street, New York, New York 10036. Art awards involving tuition for a year to one of over 50 arts schools and colleges are made under the auspices of the magazine. The magazine also sponsors creative writing and photography awards.

*Seafarers Welfare Plan*, 275 Twentieth Street, Brooklyn, New York 11215. Scholarships, each valued up to \$1,500 per year, are available to children of seamen who are members of the association.

*Sears-Roebuck Foundation*, Dean of Agriculture or Home Economics at the land-grant college of your State. The foundation offers agricultural scholarships to students to make a career in agriculture, and home economics scholarships for students who are planning a career in home economics. Recipients must attend land-grant universities.

*Second Marine Division Association (Memorial Scholarship Fund)*, P. O. Box 113, Willow Springs, Illinois 60480. The association has established a memorial scholarship fund offering scholarships to children of Marines who have served with the 2nd Marine Division.

*Sloan (Alfred P.) Foundation*, 630 Fifth Avenue, New York, New York 10022. The foundation annually sponsors approximately 140 scholarships for male undergraduates in cooperation with 45 institutions of higher education; 150 scholarships, valued from \$200 to \$2,500 a year, in 29 institutions are awarded to freshmen students. A list of participating institutions may be obtained by writing the foundation.

*Society of Exploration Geophysicists*, P. O. Box 3098, Tulsa, Oklahoma 74101. The society has established a foundation offering scholarships ranging in value from \$500 to \$1,000 for students who plan to study a college or university course leading toward a career in geophysics.

*Sperry and Hutchinson Company*, Scholarship Committee, 330 Madison Avenue, New York, New York 10017. The company offers national scholarships, as well as a series of scholarships to the children of their employees, both valued up to \$1,000 per year.

*Thirty-seventh Division Veterans Association*, 21 West Broad Street, Room 1101, Columbus, Ohio 43215. The association offers scholarships annually to high school seniors who are children of 37th Division veterans of World War II, the Korean conflict, and Vietnam.

*Tuition Plan, Inc.*, 575 Madison Avenue, New York, New York 13402. A commercial loan plan in which parents may finance from one to four years of college education for a student is offered by Tuition Plan, Inc.

*United Aircraft Corporation*, East Hartford, Connecticut 06108. The corporation offers scholarships to the children of eligible employees for the study of engineering or related science.

*United Scholarship Service, Inc.*, 300 East Speer Boulevard, Denver, Colorado 80203. The service which is composed of the Association of American Indian Affairs, the Board of Home Missions of the Congregational Christian Churches, and the National Council of the Protestant Episcopal Church offers approximately 100 scholarships to students of American Indian or Spanish American ancestry.

*United State Aid Funds, Inc.*, 845 Third Avenue, New York, New York, 10022. United Student Aid Funds is a private, nonprofit

corporation which endorses low-cost loans made by participating banks to needy college students in over 1,000 participating colleges in 50 states. An agreement with commercial banks allow the United Student Aid Funds reserve fund to guarantee the loans the banks make to the students. The reserve fund is made up of money from United Student Aid Funds and from deposits by participating colleges whose students use this program. Loans are available to students after completing their freshmen year (a program in a small number of colleges allow loans to such students) in amounts up to \$1,500 a year with a total of \$7,500 with a simple interest rate of 6 percent.

*Wachovia College Assured Plan*, Box 3099, Winston-Salem, North Carolina, 27102. A commercial loan program in which parents or other sponsors of a student may get a loan to finance the student's education is offered by Wachovia Bank.

*Western Electric Company, Inc.*, 195 Broadway, New York, New York 10007. The company provides funds for more than 203 scholarships ranging from \$400 to \$1,500 in values and applicable at over 146 participating institutions of higher education.

*Western Union Telegraph Company*, 60 Hudson Street, New York, New York 10013. The company sponsors a scholarship program for eligible employees, or child, step-child, or legally adopted child of such an employee, active or retired.

*Westinghouse Electric Corporation* East Pittsburgh, Pennsylvania 15221. The corporation sponsors the following scholarship opportunities: Westinghouse Family Scholarships (44 awards) are given annually, totaling \$72,000 to sons and daughters of Westinghouse employees. These include four 4-year scholarships of \$8,000 each and forty 1-year scholarships of \$1,000 each. (2) In cooperation with the Science Clubs of America (1719 N Street, Washington, D.C. 20036, a "Science Talent Search" in which winners receive scholarships valued up to \$10,000.

*Winn-Dixie Corporation*, Box B, Jacksonville, Florida 32203. Approximately 60 scholarships per year are awarded to children of employees of the company and to students within the trade area of the company.

#### FLORIDA PARTICIPATING COLLEGES AND UNIVERSITIES

[Here are the colleges and universities in the State that participate in the National Defense Student Loan (NDS), College Work-Study (CWS), and Educational Opportunity Grant (EOG) programs. The X's indicate which of the three programs are in operation at each institution]

Institution, address	NDS	CWS	EOG
Barry College, Miami	X	X	X
Bethune Cookman College, Daytona Beach	X	X	X
Biscayne College, Miami	X	X	X
Brevard Community College, Cocoa	X	X	
Broward Community College, Fort Lauderdale		X	X
Central Florida Community College, Ocala		X	X
Chipola Junior College, Marianna	X	X	X
Conrad D. Johnson Institute, Coral Gables	X		
Daytona Beach Junior College, Daytona Beach	X	X	X
Edison Junior College, Fort Meyers		X	X
Edward Waters College, Jacksonville		X	X
Embry Riddle Aeronautical University, Daytona Beach	X	X	X
Florida A. & M. University		X	X
Florida Atlantic University, Boca Raton	X	X	X
Florida College, Temple Terrace	X		
Florida Institute of Technology, Melbourne		X	X
Florida International University, Miami	X	X	X
Florida Junior College at Jacksonville	X	X	X
Florida Keys Junior College, Key West		X	X
Florida Memorial College, Miami	X	X	X
Florida Presbyterian College, St. Petersburg	X	X	X
Florida Southern College, Lakeland	X	X	X
Florida State University, Tallahassee	X	X	X

Institution, address	NDS	CWS	EOG
Florida Technological University, Orlando		X	X
Fort Lauderdale University, Fort Lauderdale	X	X	X
Gulf Coast Junior College, Panama City		X	X
Hillsborough Community College, Tampa		X	X
Indian River Junior College, Fort Pierce	X	X	X
Jacksonville University, Jacksonville	X	X	X
Jones College, Jacksonville		X	X
Lake City Junior College and Forest Ranger SC, Lake City	X	X	X
Lake Sumter Junior College, Leesburg		X	X
Manatee Junior College, Bradenton	X	X	X
Marymount College, Boca Raton	X	X	X
Massey Business College, Jacksonville		X	X
Miami-Dade Junior College, Miami	X	X	X
New College, Sarasota	X		
North Florida Junior College, Madison		X	X
Nova University of Advanced Technology, Fort Lauderdale		X	X
Okaloosa Walton Junior College, Valparaiso		X	X
Palm Beach Atlantic College, West Palm Beach	X	X	X
Palm Beach Junior College, Lake Worth		X	X
Pensacola Junior College, Pensacola		X	X
Polk Junior College, Winter Haven		X	X
Prospect Hall College, Fort Lauderdale		X	X
Rollins College, Winter Park	X	X	X
St. John's River Junior College, Palatka		X	X
St. Leo College, St. Leo	X	X	X
St. Petersburg Junior College, St. Petersburg	X	X	X
Sante Fe Junior College, Gainesville	X	X	X
Seminole Junior College, Sanford		X	X
South Florida Junior College, Avon Park		X	X
Southeastern Bible College, Lakeland		X	X
Stetson University, De Land	X	X	X
Tallahassee Community College, Tallahassee		X	X
Tampa Technical Institute, Tampa		X	X
University of Florida, Gainesville		X	X
University of Miami, Coral Gables	X	X	X
University of North Florida, Jacksonville		X	X
University of South Florida, Tampa	X	X	X
University of Tampa, Tampa		X	X
University of West Florida, Pensacola	X	X	X
Valencia Junior College, Orlando		X	X

#### DISTILLED SPIRITS PLANT PROVISIONS OF INTERNAL REVENUE CODE

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

Mr. ROSTENKOWSKI. Mr. Speaker, today, I have introduced for myself, Mr. LANDRUM, and Mr. BROYHILL of Virginia, a bill to amend the distilled spirits plant provisions of the Internal Revenue Code in order to remove certain restrictions that are presently incorporated in the code. This legislation would remove restrictions that are not necessary for effective enforcement of the revenue and regulatory aspects of the law. Removal of these provisions would also have the effect of facilitating and encouraging exports. These provisions would have no adverse effect on the amount of revenue that would be collected by the Internal Revenue Service.

I introduced this same bill in the 92d Congress. The Treasury Department, in response to a request from my Committee on Ways and Means, has already reported favorably on this legislation. I am therefore hopeful that this bill will be

before the House early in this session of the Congress.

I would like to insert in the RECORD at this point a brief explanation of the various sections of this legislation:

**SECTION-BY-SECTION ANALYSIS OF THE BILL**

**IN BOND FOR EXPORT**

Section 1 of the bill would eliminate the requirement of showing on the label of gin and vodka bottled in bond for export, the name of the distiller. Such information serves no useful purpose, and since gin and vodka are produced from neutral spirits, compliance with the statute means showing the distiller of the neutral spirits which may be a person different from the producer of the gin or vodka; the showing of such distiller on the label could even be deceptive to the consumer.

**SECTION 2. DRAWBACK FOR BULK IMPORTED GOODS BOTTLED IN UNITED STATES**

Section 2 of the bill would authorize allowance of drawback of tax on bulk imported goods which are bottled in the United States and exported therefrom. Because of the limitation to goods "manufactured or produced in the United States" in existing law, imported distilled spirits are not subject to drawback under section 5062(b). However, by virtue of section 5523, IRC, reduction in proof and bottling or packaging are deemed to constitute manufacturing under section 311 of the Tariff Act of 1930. (19 U.S.C. 1311) This amendment would make the export standards of Sec. 5062(b) consistent with those in Sec. 311.

**SECTION 3. DISTILLED SPIRITS DELIVERED TO THE ARMED FORCES FOR EXPORTATION**

Section 3 of the bill would provide that distilled spirits delivered to the armed forces for exportation will be deemed to be exported at the time of delivery to the armed forces.

Under current procedures alcoholic beverages sold to the armed forces for shipment and use abroad are delivered to an armed services transportation officer at the port of exportation. Thereafter, custody and control of the merchandise is entirely with the service involved. However, in several recent cases sizable quantities of distilled spirits were stolen while temporarily stored by the Air Force at the port of exportation. The Treasury Department assessed and collected from the distillers the tax on the merchandise so stolen while in the possession, ownership and control of the Air Force, and the Air Force refused to reimburse the distillers for such tax.

As a matter of equity, it would appear that when custody and control of alcoholic beverages are delivered to the armed forces for exportation, the vendor should not be liable for the tax in the event of loss or destruction prior to actual exportation.

**SECTION 4. DISTILLED SPIRITS RETURNED TO BONDED PREMISES**

Section 4 of the bill would permit the bottler or packager to return to an export storage facility on bonded premises distilled spirits which would be eligible for drawback under Section 5062(b). The return of the spirits must be solely for the purpose of storage pending withdrawal for export, or other withdrawal without payment of tax authorized under Section 5214(a), or free of tax under Section 7510.

This section also permits the bottler to return to appropriate storage facilities on the bonded premises distilled spirits which he had bottled in bond after tax determination. Such spirits may be withdrawn for any purpose for which distilled spirits bottled in bond before tax determination may be withdrawn from bonded premises.

Appropriate amendments are made to provide for the remission, abatement, credit, or refund of tax on spirits returned to bonded premises under this section.

The amendments made by this section are designed to simplify and encourage export transactions.

**SECTION 5. WITHDRAWALS TO CUSTOMS BONDED WAREHOUSES**

Section 5 of the bill would authorize withdrawal of distilled spirits from bonded premises without payment of tax for transfer to any customs bonded warehouse. This provision applies to spirits bottled in bond for export and to spirits returned to bonded premises under section 5215(b). The amendment is designed to simplify and encourage export transactions.

**SECTION 6. REMOVAL OF SAMPLES FOR RESEARCH, DEVELOPMENT, OR TESTING**

Section 6 of the bill would make a reasonable extension of the purposes for which samples may be removed without payment of tax to include plant research in addition to laboratory analysis. This amendment is similar to the recent amendment to Section 5053 relating to beer.

**SECTION 7. MINGLING AND BLENDING OF DISTILLED SPIRITS**

Section 7 of the bill would permit distilled spirits plant proprietors to commingle distilled spirits within 20 years of the date of original entry rather than the existing 8 years. The section also eliminates the requirements of existing law that the mingled spirits be placed in the same barrels and that the mingling must be for further storage in bond. Proper administration of the distilled spirits tax and regulatory provisions does not require the limitations on commingling to 8 years or the return of the distilled spirits to bonded storage. From a practical standpoint, the use of the same package is an unnecessary restriction.

**SECTION 8. USE OF JUNIPER OILS IN PRODUCTION OF GIN**

Section 8 of the bill would authorize the use of the extracted oils of juniper berries and other aromatics in the production of gin without incurrence of the rectification tax in addition to the present system of redistillation of a pure spirit over juniper berries and other aromatics. This amendment will permit production of gin with greater uniformity and without loss in quality.

**SECTION 9. LOSS PROVISIONS FOR SPIRITS BROUGHT IN FROM PUERTO RICO AND THE VIRGIN ISLANDS**

Section 9 would extend to bulk spirits brought into the United States from Puerto Rico or the Virgin Islands the same loss provisions now applicable to imported and domestic spirits.

Due to an oversight when the law was amended to permit entry of such spirits into bond the provisions applicable to imported and domestic spirits were not extended to spirits brought in from Puerto Rico or the Virgin Islands. Enactment of this section would cure inequities in the present law.

**SECTION 10. EFFECTIVE DATE**

The Act would become effective on the first day of the first calendar month which begins more than 90 days after enactment. This will give the Treasury Department and the distilling industry sufficient time to modify procedures under the statutes amended.

**THE LATE MR. JUNE B. THAYN**

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

Mr. RUTH. Mr. Speaker, it is with great sadness that I announce the passing of my administrative assistant, Mr. June B. Thayn, who had served in that capacity to three former Members of Congress.

I am sure my colleagues understand that it would be an error on my part not to use this moment, in this great Chamber, to recognize the magnitude of Mr. Thayn's efficiency and his moral conduct in handling the office affairs of a Congressman.

Mr. Thayn died December 24 in Salt Lake City, Utah. Services and burial were in Salt Lake City. They were officiated by President Harold Lee, leader of the worldwide Church of Jesus Christ of Latter-day Saints. For his many Washington area friends and colleagues, a memorial service was held January 4 at 2 p.m. at the Chesapeake Stake Center in Silver Spring, Md. June had spent all of his life, from early childhood, in the service of his church, and on his death he was president of a Maryland community of LDS churches.

I include the following:

**REMARKS MADE BY CONGRESSMAN EARL B. RUTH AT JUNE THAYN'S FUNERAL IN SALT LAKE CITY, UTAH, DECEMBER 27, 1972**

In title, June Thayn was my Administrative Assistant. In reality he was my friend—the most influential I ever had. My advisor—in whom I had complete confidence. At my insistence, he had total control of the office. In fact, we had a private office joke which I originated—"When Mr. Thayn is out the Congressman is in charge." While this is not the usual procedure, June was not the usual man.

You see, I think he was the best Administrative Assistant on the Hill. He was capable, loyal, unselfish and highly respected. However, there was a trait beyond efficiency that was his trade-mark—to me it made him very special.

He had a genuine sensitivity for the feelings of others. It was after my first four months in Congress that I began to realize it.

I learned of something being done in another office and very authoritatively told June we should be doing the same thing. He replied in his usual "you bet". A week later I found out his reply could have been, "We've been doing that for three months". My not being embarrassed meant more to him than reminding me of his own efficiency.

I've never met a man I admired more or depended upon so much. I realize that for some time I shall face difficult decisions by asking myself, "What would June do?"

Frankly, I don't know what kind of Congressman I can be without him. When I say my prayers tonight, I shall try to ignore my selfish side which is crying out "Why?" And, I'll thank my God for the four years I've had with June Thayn.

June Thayn came to Capitol Hill 27 years ago. He came here from Idaho with newly elected Congressman John Sanborn. He later served as administrative assistant to former Congressmen Hamer Budge and George V. Hansen, both of Idaho. The only period of time he was not in the service of a Congressman was in the early 1960's and he was a legislative representative for the American Farm Bureau.

The private side of Mr. Thayn's life is equally important.

Prior to his calling as the president of the Chesapeake Stake of the Church of Jesus Christ of Latter-day Saints, he was counselor to the Washington Stake presidency of the church, bishop of the Capital and College Park wards, and high councilman of the Washington Stake.

I personally know of the many volunteer hours he spent in the evening in the service of his church.

His survivors include his wife, Florian, who works in the Architect's Office; and his three daughters, Mrs. George Dean of Oxon Hill, Md.; Mrs. Michael Cluff of Martinez, Calif., and Mrs. John E. Roberts of Provo, Utah, who was married only 2 days before her father's untimely death.

Mr. DEL CLAWSON. Mr. Speaker, will the gentleman yield?

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

Mr. DEL CLAWSON. Mr. Speaker, I thank the gentleman for yielding. The gentleman has appropriately taken time to pay respects and honor to one of the important men of Washington and one, who was a good friend of many of us, and one who has been known not only as an administrative assistant, but also as a church leader.

It was almost 10 years ago when June Thayn and I first met. At that time he was with an independent national organization and as a freshman Member of the House of Representatives I needed some information and help on legislation then facing the Congress. A personal call to June Thayn resulted in immediate response and excellent assistance.

From that initial contact until his untimely death a lasting and warm friendship developed—together with a deep appreciation for his strength of character his exceptional ability for dealing with sticky problems and tough issues and for his basic commonsense in matters of governmental and individual concern.

Several former colleagues as well as the gentleman from North Carolina attest to Mr. Thayn's administrative competence, depth of character and willingness to assume ever increasing responsibility. This quality was demonstrated as each of them placed increased dependence upon him for the operation of his congressional office. Even with these heavy demands upon time and ability, June Thayn gave generously of both to his church. This service eventually elevated him to one of the highest positions in this area of the Church of Jesus Christ of Latter-day Saints, the position of Stake president. Again the stature of this man revealed itself as a spiritual leader for thousands of church members.

His counsel and advice from young and old were constantly sought; he was held in high esteem by the presiding authorities of the church as evidenced by his appointment to this very important office. With many productive years ahead of him, efforts to answer the eternal "why" become extremely difficult in explaining the purpose of life. The sound religious convictions accepted by June Thayn provided him with real purpose, dedication and unusual service to his fellowmen during the years that he spent in this life. His teachings, his example, his memory will live with family, friends, and associates for many years in the future. His influence in the lives of children yet unborn will also be felt through those whose lives have been touched by him. In my opinion it can be said of June Thayn as was said of Nathaniel of old, "Behold a man in whom there is no guile."

Our love and sympathies are ex-

tended to his wife, Florian, and the other members of his family, and may the comforting hand and blessings of Almighty God continue to abide with them.

#### EXIT VISAS FOR SOVIET JEWS

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

Mr. WHITEHURST. Mr. Speaker, last Friday, January 5, I had a remarkable experience: I telephoned two Soviet Jews in Moscow, Gregori Teitelbaum and Victor Fairmark. Both of these men have attempted to secure exit visas to Israel, and both have been turned down by the Soviet Government. Indeed, the very day that I spoke to Mr. Teitelbaum, he had been turned down for the fourth time.

Not only have these men been refused exit visas, but since they first applied for them, they have been denied permission to work. Both are highly talented individuals, and I am attaching biographical sketches of them and of their families.

The telephone calls were made possible by the United Jewish Federation through the Norfolk, Va., director, Mr. Richard Krieger. That we were able to place the calls at all represents one of the curious aspects of ambivalent Russian policy. It is a fact, however, that the Soviet Union is practicing a virulent form of anti-Semitism and engaging in repressive measures against Soviet Jewry.

Mr. Speaker, two generations ago German Jewry suffered under a determined and direct anti-Semitic policy and the world kept silent. We can no longer close our ears or our eyes to the plight of Jews being persecuted.

There is little that we as Americans can do directly to discourage the Soviet Government from its actions, but we can express our moral outrage to the world, and our own Government can make known its dissatisfaction by withholding certain trade benefits which the Soviet Government is anxious to receive.

I am supporting the Jackson-Vanik measure, and I hope that my colleagues will do the same. The voices I heard on Friday cried out for help. I gave them my pledge that we would not forget them.

#### BACKGROUND ON INDIVIDUALS BEING CALLED

Gregori Teitelbaum is a 49 year old Moscow Jew who was born in 1923. He is married and has one son. His wife's name is Tamara, she is 41, and their son Mischa is 17½ years old.

Gregori has made application for visa to Israel on four occasions and on each of these occasions has been turned down, each time for a different reason and each time for a reason that is not substantiated by the Constitution of the U.S.S.R.

Gregori had worked as a photo journalist throughout Russia, both privately and for the Russian Tours Bureau. He has published three books telling photographic stories of Russia. Included was a photo essay on Popov, the star of the Moscow Circus travelling

through Moscow. That book sold over 200,000 copies.

Gregori was wounded during the second World War while serving with the Russian army and has a very noticeable limp. Because of this wound he is receiving a pension of 45 rubles a month. He supplements his income by teaching Hebrew to members of the Jewish community which brings him an additional 40 rubles a month. Since his initial application for visa 2 years ago Gregori has not held any employment in his profession.

With reference to the books that Gregori had published, since his application for visa he receives no further financial remuneration for any sales.

Mischa Teitelbaum is currently attending school in Moscow. This June, he was to start at the university, however, because his family and he has applied for visa he will not be permitted to attend the university but will, instead, be drafted into the army. Because of the security ramifications of an individual serving in the army this would prevent Mischa from emigrating to Israel, the United States or any capitalistic country for the next five years.

Their apartment has been searched on a number of occasions.

They have been constantly questioned by the KGB.

Their son will not be permitted to go to a university.

They have little or no income in which to maintain any type of living and must rely on outside help to sustain themselves.

The cost payable to the Russian government to permit them to leave the country would be 2820 rubles for processing and renouncing citizenship, 300 rubles for transportation to Vienna, 500 rubles for packaging and listing of what little they would be permitted to bring out of the Soviet Union. If they are charged an educational tax because of Gregori's education it will be an additional 18,000 rubles charge. Therefore, the apparent cost of Gregori Teitelbaum's flight to freedom when and if he is given permission, will be \$26,383.72.

#### VICTOR FAIRMARK

Victor is 31 years old. He lives in Moscow with his wife, Galina, who is 24 and their Irena, who on January 14th will be 3.

Galina had hoped to celebrate Irena's third birthday in Israel. However, this will be impossible.

Victor Fairmark was a graduate Physical Chemist who had attended the Technical Institute in Moscow for 5 years and had been doing post-graduate work on his Doctorate when he applied for a visa on November 2, 1971 to emigrate to Israel. On December 16th of that year, for the first time, he was refused by the Soviet government, indicating he was a skilled specialist and would not be permitted to leave the country because his speciality was essential to the government. At the point of Victor's refusal, he was fired from his job as a Physical Chemist and put out of the University, prior to his completing his graduate studies.

Galina, who had graduated from the Institute of Foreign Languages, as an interpreter, was refused permission to work as an interpreter or teacher of languages. Victor was unemployed, and was forced to take a job as a cleaner in a laboratory or face imprisonment by Russia's parasite law. Victor Fairmark was arrested twice. On September 19th, he was in prison in Moscow when 33 people were arrested during a meeting of the Supreme Soviet Council. He was also arrested on September 6th, when he along with others protested at the Lebanese Embassy, of the Munich Massacre.

Both Galina and Victor have renounced their Soviet citizenship and have requested permission to become citizens of the State of Israel.

**THE LATE HONORABLE MAURICE THATCHER**

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

Mr. CARTER. Mr. Speaker, it was with a great deal of sadness that I learned of the death of former Representative Maurice Thatcher on January 6, 1973. He was one of the kindest, nicest, most perceptive people I have ever known.

From 1910 to 1913, Maurice Thatcher served as one of the seven members of the Isthmian Canal Commission appointed to carry out the construction of the Canal. He served as U.S. Representative from Louisville, Ky., from 1923 to 1933. He was credited, while U.S. Representative, with enactment of a measure creating in Panama the Gorgas Memorial Laboratory of the Gorgas Memorial Institute of Tropical and Preventive Medicine.

It was named for William Crawford Gorgas, the Army doctor who helped make possible the construction of the canal by destroying the mosquitoes that carried yellow fever and malaria. Mr. Thatcher and Dr. Gorgas served together on the canal commission.

After closing his congressional career by making an unsuccessful race for the Senate in 1932, Mr. Thatcher went into the private practice of law here in 1933.

On his 99th birthday, although his activity had declined, he was still in practice, with an office in the Investment Building at 15th and K Streets NW.

In addition, an important highway in the canal area was named for him.

Moreover, it was Mr. Thatcher who is credited with enactment of the measure creating in Panama the Gorgas Memorial Laboratory of the Gorgas Memorial Institute of Tropical and Preventive Medicine.

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On his 99th birthday, although his activity had declined, he was still in practice, with an office in the Investment Building at 15th and K Streets NW.

"I don't eat meat," he told an interviewer who was interested in his secrets of longevity. "I eat vegetables, eggs and milk. I don't drink, I don't smoke and I don't drink tea or coffee."

"Of course," he added, "You can't escape meat altogether, meat products creep into a lot of things."

Said Mr. Thatcher, who could still hear well, read without glasses, and make himself heard across a room:

"It's not a religious thing. I just wanted to live what I considered a sound, biological life."

A slender, white-haired man with bushy eyebrows, he said, "I just noticed that the smokers and chewers and drinkers had a hard time quitting when they wanted to."

"I just quit early. I'm a good sleeper, always was, and I still get about eight hours' sleep a night."

Mr. Thatcher was born in Chicago, and grew up in Butler County, in the western part of Kentucky. An official congressional biography said that he "attended public and private schools; engaged in agricultural pursuits; (and) was employed in a newspaper office and in various county offices."

His formal career in public life began at the age of 22 when he was elected clerk of the Butler County Circuit Court. He later studied law, was admitted to the bar in 1898, and became an assistant state attorney general.

After moving to Louisville in 1900, he became an assistant U.S. attorney, and later was named to what has been described as the state's chief appointive office: state inspector and examiner.

In that job, he was credited with saving thousands of dollars for the taxpayers and with bringing about numerous needed reforms. He left it in 1910 to join the Isthmian Canal Commission. After leaving Panama, he held municipal posts in Louisville before being elected to Congress.

In addition to championing measures designed to improve the canal, during his House service Mr. Thatcher was responsible for much other legislation, including that establishing Mammoth Cave National Park in Kentucky.

In later years, when he interested himself increasingly in the writing of poetry, he memorialized the park in verse:

"Caverns immense, wrought thru the endless ages:

What lessons for the human soul and mind! The great Lord God, in those arresting pages, Hath writ a matchless story for mankind . . .

While in Congress, Mr. Thatcher was also credited with writing legislation for federal appropriations for Braille books and equipment for the nation's blind students.

[From the Washington Post, Jan. 7, 1973]

**EX-REP. MAURICE THATCHER, 102, DIES**

(By Martin Weil)

Maurice H. Thatcher, who helped supervise construction of the Panama Canal, served five terms as a congressman from Kentucky and practiced law here until he was 100 years old, died here yesterday at 102.

Mr. Thatcher died in his home at 1801 16th St. NW, where he had been bedridden almost constantly since suffering a fractured thigh on July 15.

From 1910 to 1913, during the period of peak activity, Mr. Thatcher served as one of the seven members of the Isthmian Canal Commission appointed to superintend and carry out the construction of the Panama Canal.

In his four years on the commission, Mr. Thatcher headed the department of civil administration of the Canal Zone, and was known as the Zone's civil governor.

In recent years, he was reported to be the last surviving member of the canal commission, the chairman of which had been Lt. Col. George W. Goethals, the celebrated Army engineer who brought the project to completion in 1914.

When Mr. Thatcher returned to Panama in 1964 at the age of 95 to help mark the canal's 50th anniversary, he was hailed by a local newspaper as the "Grand Old Man of the Panama Canal."

While serving as a Republican congressman from Kentucky from 1923 to 1933, Mr. Thatcher continued to take an interest in the development of the canal and in the welfare of those who built and operated it.

As a member of the Appropriations Committee, he helped make available funds for improvements in the Canal Zone, and for annuities for construction workers and other canal employees.

A ferry across the Pacific entrance of the canal, for which he obtained federal funds,

was named the Thatcher Ferry. The bridge, dedicated in 1962 on the site of the ferry, was named the Thatcher Ferry Bridge.

In addition, an important highway in the canal area was named for him.

Moreover, it was Mr. Thatcher who is credited with enactment of the measure creating in Panama the Gorgas Memorial Laboratory of the Gorgas Memorial Institute of Tropical and Preventive Medicine.

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In later years, besides serving as vice president and general counsel of the Gorgas Institute, Mr. Thatcher maintained contact with his old colleagues by attending meetings here of the Panama Canal Society.

But, as he announced in 1958 at the group's 23d annual meeting, "the ranks are thinning . . ."

Looking back on the occasion of his 99th birthday, he told an interviewer: "I don't lay any claims to a great career. But I've done some useful things. I tried to be useful wherever I was, whatever I did. I've lived a busy and useful life."

His wife, the former Anne Bell Chinn, died in 1960.

**LAIRD DID A TOUGH JOB WELL**

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

Mr. STEIGER of Wisconsin. Mr. Speaker, in 2 weeks Melvin R. Laird will end 4 years of productive service as Secretary of Defense. A recent editorial in the Milwaukee Journal noted the skill with which Mel handled this most difficult assignment:

The Marshfield (Wis.) native guided the defense establishment during a remarkable period of transition. It was one in which the U.S. was pulling its land army out of the war in Vietnam and diminishing its expenditures there dramatically. It was one in which the military—especially the Army—having long been used to the crutch of the draft, was forced to come to grips with the administration's drive for an end to conscription and the birth of an all-volunteer military force. . . . Laird was able to orchestrate this transition, keep order and morale from crumbling and rivalries from breaking out of control—no mean task.

Mel Laird's tenure will best be remembered for his attention to people-oriented programs. His commitment to the volunteer force provided the leadership needed to convince the services that an end to the draft was both feasible and desirable. The recent elimination in make-work assignments, improvement in living conditions, creation of dynamic training procedures, and the earnest response to legitimate grievances for first-term servicemen all reflect Mel's concern for the dignity and value for the individual soldier. His strong advocacy of military pay reform ended the use of conscription to force young men to serve at poverty-level wages. His deep commitment to equal opportunity—which was reflected in the actions of his service Secretaries and major commanders—led to the development of the most comprehensive report ever undertaken on the reform of military justice. He can depart from Defense with the satisfaction of knowing he has initiated a dramatic change in our approach to military personnel policies.

I am sure that Mel's many friends in this body wish him well in whichever new endeavor he chooses. I know his former colleagues will be interested in the assessment of his tenure by the Milwaukee Journal and the Milwaukee Sentinel, and I insert these editorials in the RECORD immediately following my remarks:

[From the Milwaukee Sentinel, Dec. 1, 1972]

## LAIRD'S LEGACY

Four years ago when Wisconsin's Melvin R. Laird was nominated to be secretary of defense, we expressed the view that his political skill was precisely what was needed to take over one of the toughest administrative jobs in world history.

Looking back on Laird's record as head of the Department of Defense, we see nothing to cause us to modify our original appraisal. Laird was performed brilliantly.

His service has been all the more impressive because it was given at great personal sacrifice. It is quite apparent that he didn't want the job. To take it he had to give up his 7th District seat in the House and the position of power he had reached in Congress.

Sen. Henry Jackson (D-Wash.) reportedly was Richard Nixon's first choice for defense secretary. He wouldn't take the job and so the president-elect turned to Laird and asked him, in effect, to interrupt his highly successful legislative career and take on an assignment that would by its nature mean a lot of abuse and little thanks.

It is all too easy to forget the situation that prevailed when Laird took office in early 1969. Dissent over the Vietnam War was raging. A half a million young Americans were bogged down in the South Vietnam quagmire and battle deaths were running between 200 and 300 a week.

Today, the number of American troops there is a mere 27,000. Last week, for the first time in seven years, there was not a single American death, from combat or otherwise, in South Vietnam.

This dramatic reduction of America's direct military involvement in the war is credited to President Nixon. But the fact remains that the implementation of Nixon's policy was carried out under Laird's direction.

It was Laird, with the help of another Wisconsinite, Curtis W. Tarr, who made Vietnamization work. Likewise, it was Laird, again with the aid of Tarr, who put into effect the move away from the draft and toward an all-volunteer armed force.

Running the defense establishment, of course, involves a lot more than dealing with the problems of the Vietnam War. Research, development and procurement of weapons is of tremendous importance. In this area, the Pentagon's relationship with Congress is crucial, and Laird's firsthand knowledge of the House and Senate was put to best possible use.

However, it was not with Congress alone that Laird's political skill paid off. The lessons he learned in dealing with the public as a legislator paid off handsomely in his dealing with the public as defense secretary. Few others, certainly no businessman without political experience, could have been as effective at picking his way through the political minefields as Laird has been.

Laird's decision to leave his post after four years is in itself a mark of political wisdom. It is time for a different leadership, one which it will be up to Elliot Richardson to provide, building on the sound base left by Laird.

Laird now looks forward to a few months of well earned retirement from politics. It is hard to imagine him retiring from politics permanently. This favorite Wisconsin son still has a great future in public service.

[From the Milwaukee Journal, Nov. 30, 1972]

## LAIRD DID A TOUGH JOB WELL

No one envies a secretary of defense. Enemies line up fast. Effectiveness ebbs as a result. The trick is to know when to get out. Melvin Laird wisely set his tenure at four years and held to it. He steps down now with a solid reputation intact and an impressive list of accomplishments behind him at the Pentagon.

The Marshfield (Wis.) native guided the defense establishment during a remarkable period of transition. It was one in which the U.S. was pulling its land army out of the war in Vietnam and diminishing its expenditures there dramatically. It was one in which the military—especially the Army—having long been used to the crutch of the draft, was forced to come to grips with the administration's drive for an end to conscription and the birth of an all-volunteer military force.

The Laird era was one in which the Pentagon, accustomed to gold plate, also came under increasing congressional attack over the cost of weapons. The defense establishment had to make do with relatively static budgets, in which increasingly larger portions went for manpower costs rather than arms. And the military had to accept the realities of a strategic arms limitation treaty, which left the U.S. in an inferior position in numbers of launchers if not of nuclear warheads. Sufficiency rather than superiority became the theme.

Laird was able to orchestrate this transition, keep order and morale from crumbling and rivalries from breaking out of control—no mean task. In the process he had his crosses to bear. As defense secretary he became the lightning rod for much of the anti-war criticism—though he was said to be privately counseling restraint at the White House, and did not agree fully with the president on such issues as the intensified bombing of North Vietnam. He valiantly tried to rationalize the military procurement system while under attack for some inflated weapon costs that stemmed from decisions of the prior administration.

The Laird performance was not flawless, of course. He still tended to see salvation in more big strategic weapons. His definition of sufficiency was on the conservative side. He could never quite control his urge to get back in the political arena, and his partisan blasts at Democratic candidate McGovern's "white flag, surrender budget" plan were prime examples of his political pugnaciousness.

In that sense, it was surprising that the former Wisconsin congressman and Republican power in the House, a lover of politics and political intrigue, took the defense job at the expense of his immediate political career. He filled the post well.

## A TRIBUTE TO ROBERTO CLEMENTE

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

Mr. HEINZ. Mr. Speaker, Roberto Clemente was a truly remarkable man, an example and an inspiration, a man for whom half-way was never enough.

He was a hero in every respect; on the baseball field, where he personified team spirit with the Pittsburgh Pirates for 18 illustrious seasons, and in his private life, where this fiercely proud Puerto Rican black commanded and deserved the adoration and respect of people around the world.

Roberto Clemente was a humanitarian first, an athlete second. It is both typical and ironic that he should perish as he did, aboard a plane involved in a mission of mercy to aid the destitute victims of the earthquake in Nicaragua. Where others might pay lip service to such a cause, Roberto Clemente had to go all the way. It is the kind of man he was.

There has been a vast and impressive outpouring of honors in his memory.

The Richard King Mellon Foundation of my home city of Pittsburgh, citing that "compassion is not weakness and honor requires a constant effort," has donated \$100,000 for the relief of the Nicaraguan quake victims.

This, and other contributions which now total nearly a quarter of a million dollars, are being channeled into the fund started by President Nixon.

In addition to the Mellon Foundation gift, other major contributions have been received from the Pittsburgh Baseball Club, Penguins Hockey Club, Pennsylvania Governor and Mrs. Milton Shapp, and the Pittsburgh Junior Chamber of Commerce.

This money will aid both the South American quake victims and the Youth City Memorial Fund, a project spearheaded by Clemente during his life to aid the youth of Puerto Rico.

Contributions may be addressed to the Roberto Clemente Memorial Fund, in care of the Pirates, Three Rivers Stadium, Pittsburgh, Pa. 15212.

Throngs of fans have filled churches and community centers all over Pittsburgh this week to honor the memory of this outstanding man.

Clemente's Pirate teammates, two of his former managers, Danny Murtaugh and Harry Walker, "front office" representatives, and others flew to Puerto Rico in sadness to pay their final respects.

One of his teammates, Manny Sanguillen, did not attend the island memorial service. He was aboard a dredging boat off the beach where crews still search for Clemente's body.

There are those who would argue that Clemente, at 38, was in the twilight of his professional career as a baseball superstar, although many of us who saw and cheered his incomparable performance in the 1971 world series would strongly disagree.

He, personally, looked forward to the time when he could devote all his energies to working with the disadvantaged youth of his native country.

Roberto Clemente will be enshrined in baseball's Hall of Fame. He was only the 11th man in the history of the sport to get 3,000 hits, and his lifetime batting average on the field was .317, the highest among active players.

But more important is that he batted a thousand in his passion for humanity.

Indicative of Clemente's modesty was his remark last September 30 at the Three Rivers Stadium in Pittsburgh when a standing ovation from the crowd greeted the clubbing of that 3,000th hit:

I feel bashful when I get a big ovation. I am really shy . . . I never was a big shot and I will never be a big shot.

To millions of persons, the powerful and compassionate Roberto Clemente was indeed a "big shot," a true folk hero who gave of himself to help others, even to the end.

## NADER-DOUBLE STANDARD

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

minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, Ralph Nader, who holds himself out as an expert on all subjects, and presumes to assume a "holier than thou attitude" seems to run into personal difficulties from time to time as was reported in the Montgomery Advertiser, October 27, 1972.

HOW NADER LOVES HIS PUBLIC

(By Ralph De Toledo)

Ralph Nader would win no popularity contest on Capitol Hill today. He is deeply resented not for the dull and empty paperback his whiz kids wrote about the Congress but rather for the smug presumption with which he set himself up as prosecutor, judge and jury of an institution which on the whole has done quite well for the country—and then chopped its head off.

Congress has its faults, but it takes more than three men on a typewriter to understand and analyze them. Certainly, a beat-up set of clichés is no answer to congressional problems.

But if Nader is unpopular on the Hill, his name is mud in Quebec among the students and alumni of Laval University—as well as the civic leaders of that city.

They are learning the hard way that those who speak loudest of the "peepul" are frequently the first to administer a hard kick to the gluteus maximus of the public. That is precisely what the apostle of consumerism did to a group of his loyal followers.

This is the story:

Three months ago, the Alumni Association at Laval arranged with Grossman Publishers, which put out Nader's disquisition on Congress, for his appearance as a panelist in a meeting devoted to consumer problems.

Nader wanted—and got—a contract which gave him \$3,500, all expenses, and a provision that he would not be paid until 1973 so that he could take advantage of one of those tax gimmicks he is always criticizing.

Delighted by Nader's magnanimity, Ludger-Saint-Pierre, general director of the Alumni association, joined with local consumer groups in an expensive promotion campaign, prepared background material for the panelists and the audience, hired French-English simultaneous translators, and equipped two campus halls with closed circuit TV to accommodate the anticipated overflow crowd.

They planned to make it the big event on Laval's—and perhaps Quebec's—year. But at 11:30 of the day Nader was to appear, one of his "representatives" called to say that the honored speaker was too busy to be in Quebec.

Financial Institutions Minister William Tetley, who was scheduled to be one of the panelists, offered to send the Quebec Province government's jet plane to pick up Nader in Washington and fly him back. No way, said Nader.

The sponsors of the meeting offered to set up a two-way telephone hook-up between the auditorium and Nader's office. Still no way, said Nader. He was too busy.

He wouldn't even come to the phone. Still the sponsors could not believe that he would act in such bad faith as not to show up at all.

But at 2:30—with Quebec's Mayor Giles Lamontagne and Pierre Marois, head of a 210,000-member consumer organization, waiting on the stage—it became all too obvious that Nader was not going to honor his contract.

As the audience left, there were hand-lettered picket signs, borne by students, which read: "Ralph Nader exploite les consommateurs"—Ralph Nader exploits the consumers. And Saint-Pierre, speaking for the alumni said angrily, "We went several thousand dollars in debt publicizing the visit.

"We agreed to all his terms and at the last minute, he just set us aside with a sweep of his hand. He used to be our guardian angel, but now he's a devil."

But let's not be carried away. A man who is busy telling the President of the United States off, instructing the Congress how to run its affairs, and excoriating American business and industry, can't be expected to honor his commitments.

He can't be expected to worry about the time, the money, and the enthusiasm expended by a bunch of Canadians.

Even though the Quebec meeting was set for a Saturday afternoon—a time when the wheels of government grind not at all in Washington—Nader had too many other things to do. This exceedingly ambitious young man may have scheduled his time for another wheel—the one at which he grinds his axes.

All of which proves the point that H.L. Mencken made many years ago, many times and in many ways. Watch out for the phony in all of American letters.

Mencken stole the thought from Mark Twain, who had the keenest eye for the phony in all of American letters.

The Laval alumni are planning to slap a lawsuit on Nader, and then we will really hear his pious outcries.

THE LATE HONORABLE MAURICE THATCHER

(Mrs. SULLIVAN asked and was given permission to address the House for 1 minute, and to revise and extend her remarks and include extraneous matter.)

Mrs. SULLIVAN. Mr. Speaker, the death of former Congressman Maurice H. Thatcher of Kentucky on Saturday at the age of 102 severed our last remaining link with the men who directed the achievement of one of the greatest engineering triumphs of mankind, the construction of the Panama Canal.

As chairman for 14 years of the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries, from 1957 to 1971, I came to know and love Maurice Thatcher as a man of great compassion, understanding, and humaneness. He worked indefatigably, even through his 10th decade of life, in behalf of the thinning ranks of men and women who had risked their lives and health working in the Canal Zone during the years when the canal was being constructed. He was the spokesman for the Roosevelt Medal holders and also, in numerous ways, for the West Indian and other noncitizen construction workers who had been recruited for the hard tasks of building the great waterway which linked the Atlantic and Pacific Oceans for the benefit of world commerce.

He came to see me often to urge congressional action in behalf of the aged and often impoverished veterans of the canal construction period, and he was a most persuasive advocate in a humane cause. Mr. Thatcher himself was a man who loved humanity, as expressed in the many poems he wrote throughout his later years.

It was his concern for the problems of Panamanian citizens in getting from one part of their country to another, across the canal, which led to the establishment of the Thatcher Ferry when he was

the Governor of the Canal Zone as the member of the Isthmian Canal Commission assigned to head the Department of Civil Administration. Many years later, when the high-level bridge was constructed across the canal, it was most appropriately named the Thatcher Ferry Bridge. Stamp collectors are familiar with that bridge as the subject of one of the most famous stamp errors made by the Bureau of Engraving and Printing, but everyone who is familiar with the early history of the canal thinks of it as a monument to one of our finest public servants.

Although advanced age kept him during the past several years from continuing his many visits to Capitol Hill, where he served for 10 years as a Member of this House, Mr. Thatcher reached and passed his 100th birthday with a spirit of youthfulness and zest for life, and shall be remembered with much affection by all of us who knew him.

THE YOUTH CAMP SAFETY ACT

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

Mr. DOMINICK V. DANIELS. Mr. Speaker, on November 4, 1971, during the debate on the Youth Camp Safety Act three Members of this body stood in the well and said:

Certainly there is a need for safety in youth camps, but . . . We all favor health and safety. I am sorry for every loss or accident—yes, even illness in campers, but . . . Certainly anyone who has had children in camp or anyone who has had anything to do with the camps would want to do everything to protect the safety and health and life of any child. We all agree on that . . . There is not a man or woman in this Chamber who would vote against saving the lives of children. But . . .

Mr. Speaker, the key word is "but," because all of these Members voted against a bipartisan Camp Safety Act that would have put minimum Federal standards into law. What they did vote for was a study of camp conditions, a familiar stall tactic. We know that no one can stand on the floor of this House and be opposed to safety without risking great censure. So what really differentiates those who are committed to healthful conditions is what they are willing to do to guarantee protection to our Nation's young campers.

On that day 184 Members went on record against Federal safety standards and for a camp study. I did not then, nor do I intend now to give up the goal of minimum safety and health requirements for recreational camps in all States. I am convinced that the need is clear. Ironically, the Occupational Safety and Health Act grants safe work conditions to camp counselors and employees, but the children, those most vulnerable, are without protection.

My subcommittee will hold hearings again this Congress, and I pledge at this time that any group who desires to be heard will be given the opportunity.

Many sad stories were brought to the committee's attention during hearings in the 90th, 91st, and 92d Congresses. A dramatic example occurred last year in California when a camp rented an open flatbed truck for an outing; 62 children and eight counselors were aboard with an inexperienced driver when the truck somersaulted on an expressway killing five persons and injuring the rest. Children are literally at the mercy of those supervising them. If those supervisors are incompetent, the children suffer too, and there are no mandatory qualifications for these employees to be measured by. A look at State laws reveals that:

First, 26 States have regulated only the sanitation of youth camps;

Second, only 15 States have any form of safety legislation;

Third, only three or four States have qualifications regarding personnel; and

Fourth, 24, or nearly half the States, have relatively little or no camp regulations.

A host of voluntary standards have been developed by such organizations as the American Camping Association, the Boy Scouts of America and the Easter Seal Society. While these groups are to be commended for their efforts even they testify that without statutory enforcement and sanctions, there could be no reduction in deaths and injuries.

The rejection of the Youth Camp Safety Act did not prevent the subcommittee from writing to the 50 Governors asking them to move to strengthen their own laws. My own State of New Jersey is actively working to pass a proposal similar to the one the House defeated, but to date, not one State has actually enacted any similar measures.

Until there is adequate minimum protection for these youngsters, I intended to remind my colleagues continually of this need. For your information I have inserted the bill and a section-by-section analysis of its provisions:

#### SECTION-BY-SECTION ANALYSIS OF YOUTH CAMP SAFETY

##### SECTION 1

This title may be cited as the "Youth Camp Safety Act."

##### SECTION 2—STATEMENT OF PURPOSE

To protect the youth attending day camps, resident camps and travel camps by establishing Federal standards, and to provide Federal assistance to the States to develop their own programs.

##### SECTION 3—DEFINITIONS

Defines: youth camp (travel camp), youth camp safety standards, youth camp operator, Secretary, and State.

##### SECTION 4—GENERAL DUTY

Provides that each youth camp operator shall furnish to each camper safe and healthful conditions, facilities and equipment which are free from recognized hazards that are causing, or are likely to cause, death, serious illness or serious physical harm, and adequate supervision considering conditions existing in nature.

##### SECTION 5—PROMULGATION OF YOUTH CAMP SAFETY STANDARDS

Provides that the Secretary shall promulgate youth camp safety standards in consultation with State officials and with representatives of public and private organizations.

#### SECTION 6—STATE JURISDICTION AND STATE PLANS

Provides that any State wishing to assume responsibility for development and enforcement of youth camp standards shall submit its own plan which shall be approved by the Secretary of Health, Education, and Welfare if it contains the following conditions:

(1) Designates a State agency for administering the plan.

(2) Provides for development and enforcement of standards at least as effective as Federal standards.

(3) Provides for the enforcement of the standards developed under paragraph (2) in all youth camps in the State which are operated by the State or its political subdivisions.

(4) Provides for an inspection of each camp at least once a year during a period the camp is in operation.

(5) Provides for an advisory committee to the State agency.

(6) Provides a right of entry.

(7) Provides satisfactory assurances of qualified personnel for enforcement.

(8) Assures adequate funds for administering and enforcement.

(9) Provides that the State agency will make information and reports available to the Secretary.

(10) Provides that State funds will be adequate to meet the cost of carrying out the plans.

(11) Provides for adequate fiscal control and accounting procedures.

If the Secretary rejects a State plan it must be on the basis of substantial evidence, and a State may obtain a hearing and judicial review.

#### SECTION 7—GRANTS TO STATES

Provides that the Secretary may make grants to States which have in effect approved plans. No such grant may exceed 80 percent.

There is authorized to be appropriated for fiscal year 1973 and each of the five succeeding fiscal years such sums as may be necessary to make these grants.

#### SECTION 8—ENFORCEMENT BY SECRETARY; CITATIONS

The Secretary shall be responsible for enforcement in States which do not have State plans and in travel camps.

Provides for the Secretary to issue regulations giving citations for violations of the general duty and standards. In addition, the Secretary may prescribe procedures for de minimis violations.

#### SECTION 9—INSPECTION, INVESTIGATIONS, AND RECORDS

Provides the Secretary with the right of entry and inspection of youth camps.

Provides the Secretary with right of subpoena.

Provides for annual reporting of all accidents resulting in death, injury and illness, other than minor injuries which require only first aid treatment, loss of consciousness, restriction of activity or motion or premature termination of the camper's term at camp.

Reports are to be filed with the State and from the State to the Secretary of Health, Education, and Welfare.

The Secretary shall include these statistics in an annual report to the President and Congress.

#### SECTION 10—PENALTIES

(a) Provides that willful or repeated violators may be assessed up to \$2,500 for each violation.

(b) Provides a penalty of up to \$1,000 for a second or subsequent citation for a serious violation.

(c) For failure to correct a violation within period permitted, a civil penalty of \$500 may be assessed for each day the violation con-

tinues or until the camp closes in its normal course of business.

(d) Defines "serious violation." A serious violation shall be deemed to exist in a youth camp if there is substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use, in such camp, unless the operator did not, and could not with the exercise of reasonable diligence know of the presence of the violation.

#### SECTION 11—PROCEDURES TO COUNTERACT IMMINENT DANGERS

Provides the U.S. district court with jurisdiction upon petition of the Secretary to restrain any condition or practice that could reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided in this act.

#### SECTION 12—VARIATIONS

Provides for variation procedures upon application by a camp owner showing extraordinary circumstances or undue hardship, and after a field inspection.

#### SECTION 13—TRAVEL CAMPS

Provides that all travel camps shall register annually with the Secretary and list a description of the camp's itinerary, equipment and personnel.

#### SECTION 14—FEDERAL RECREATIONAL CAMPS

Provides that the Secretary shall develop safety standards to govern the operation of Federal recreational camps.

A Federal recreational camp is a camp or campground which is located on Federal property and is operated by, or under contract with, a Federal agency to provide opportunities for recreational camping to the public.

#### SECTION 15—ADVISORY COUNCIL ON YOUTH CAMP SAFETY

Establishes in the Department of Health, Education, and Welfare, an Advisory Council on Youth Camp Safety.

The council shall consist of a chairman and nine members appointed by him.

Provides that the Secretary shall appoint special advisory experts to carry out the functions of the council.

#### SECTION 16—ADMINISTRATION

(a) Provides for a yearly report to the President and Congress on the administration of the act.

(b) Provides for coordination of statistics between the Secretary of HEW and other agencies.

(c) Provides that the Act shall not restrict, determine or influence the curriculum, program or ministry of any youth camp.

(d) Provides that the Act shall not authorize or require medical examination, immunization, or treatment for those who object on religious grounds, except where such is necessary for the protection of the health and safety of others.

#### SECTION 17—AUTHORIZATION

In addition to the amounts authorized in section 17, such sums as may be necessary are appropriated for fiscal year 1973 and each of the five succeeding fiscal years.

#### SECTION 18—EFFECTIVE DATE

The title shall take effect 90 days after the date of enactment.

#### BILL TO ESTABLISH POLICY AND PRINCIPLES RELATING TO BENEFIT-COST RATIOS

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

minute and to revise and extend his remarks and include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, today I am introducing a bill to establish policy and principles for planning and evaluating flood control, navigation, and other water resource projects and the use of water and related land resources. This bill would set forth clear standards of guidance for benefit-cost determinations by the agencies involved.

The methods of determining benefit-cost ratios have never been clearly spelled out by Congress and as a consequence they have been subject to whims and changes within the administrative branch. There has been no clear continuity of policy. Recently an executive recommendation was made by a presidential commission which, if administratively implemented, would put an abrupt halt to the river basin development projects as we have known them in this country.

It seems to me that it is high time for Congress to reassert its own historic prerogatives in determining the rules for evaluating water resources projects, and I invite the careful attention of all of our colleagues to this bill.

I earnestly believe that it merits general support.

#### SURPLUS FOOD TO USO

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

Mr. PICKLE. Mr. Speaker, I am introducing legislation that would permit the use of surplus food commodities of the U.S. Department of Agriculture to be used by American servicemen through USO installations.

I am sure that nearly all our colleagues are aware of the important role the United Service Organization plays in the lives of our military, particularly the enlisted man.

My bill seeks to allow USO's the right to become eligible for USDA surplus food commodities if they are designated by the Secretary of Defense.

Madison, Alexander Hamilton, John Jay—the authors of the Federalist Papers—were all of a mind that the first necessity of legitimate government is to provide for the common defense. The circumstances that endanger the safety of a nation are infinite.

Throughout our history, this Nation has raised armies to defend freedom. In the course of our conflicts, young men have been uprooted from their homes and communities to answer country's call.

In the past military conflicts, the USO has accompanied these troops to the battlefronts and to the garrisons. They have provided a recreational and spiritual uplift for servicemen away from their homes.

The average USO, a nonprofit, service organization, runs on a shoestring budget. I am hopeful that enactment of the legislation I propose will offer a wider variety of nourishment in these homes away from home.

I do not think, as some, that this will open the door for the distribution of surplus commodities to all other service organizations since the legislation specifically calls for such agencies to be designated by the Secretary of Defense for groups who assist, entertain, and provide recreation for American servicemen.

In my mind, this can only be the USO—the measure of American's commonsense concern for its servicemen.

foreign barriers to our exports. Even more significant, however, was the conclusion reached among the United States, the European Community and Japan that permanent solutions could only be found through broad-based negotiations. The result of the discussions was an agreement to work actively for the opening in 1973 of a new round of comprehensive negotiations involving all elements of trade policy.

The nations of the world now have the opportunity to open a new era of international relations characterized by negotiation rather than confrontation across the whole range of foreign policy issues.

Our key objectives in reform of the international trading system are to reduce existing tariff and nontariff barriers affecting agricultural as well as industrial products, to establish new rules for the fairer conduct of world trade, and to open new opportunities for the poorer nations to earn the foreign exchange required for their development. Such far-reaching goals can be achieved only within a framework which provides for the equitable sharing of benefits and responsibilities and which includes a safeguard system that allows time for industries adversely affected by foreign competition to adjust to shifts in trade patterns.

Proposals which will enable the United States to negotiate effectively are now under intensive study in the executive branch. In the coming months, the Administration will be working closely with members of the Congress to determine how we can best meet the challenges and seize the opportunities which lie ahead.

I am confident we will be able to establish a new international economic framework within which trade can expand on an equitable basis for all participants—contributing to peace and prosperity for all nations of the world.

RICHARD NIXON.

THE WHITE HOUSE, January 9, 1973.

#### SIXTEENTH ANNUAL REPORT ON TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-41)

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

*To the Congress of the United States:*

In accordance with Section 402(a) of the Trade Expansion Act of 1962, I transmit herewith the Sixteenth Annual Report of the President on the Trade Agreements Program. This report covers developments during the twelve months ending December 31, 1971.

That year marked an historic turning point in international economic relations. Deepening crises in the spring and summer of 1971 dramatized the obsolescence and inequity of the rules and mechanisms developed at the end of World War II. Against this background, the Administration announced in August a series of measures designed in part to prevent further damage to the United States economic position. More fundamentally, actions were taken to open the way for reforming the world trade and monetary systems through multilateral cooperation.

Concurrently with monetary consultations which led to the Smithsonian Agreements in December of 1971, the United States opened bilateral discussions with our major trading partners. These discussions yielded valuable reductions during 1972 in a number of for-

#### COMPARABILITY ADJUSTMENT FOR FEDERAL STATUTORY PAY SYSTEMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-40)

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

*To the Congress of the United States:*

In accordance with the provisions of section 5305 of title 5, United States Code, I hereby report on the comparability adjustment I have ordered for the Federal statutory pay systems in January 1973.

The American system of career civil service is based on the principle of rewarding merit. As President I have a special appreciation of the contribution that the service makes to our Nation, and I am pledged to continue striving to make it an even more effective, responsive part of our Government. One way of

achieving this is to maintain a salary scale for civil servants that is just and comparable to that received by equivalent individuals in the private sector.

The adjustment I have ordered is based on recommendations submitted to me by the Director of the Office of Management and Budget and the Chairman of the Civil Service Commission, who serve jointly as my "agent" for Federal pay. Their report, which is enclosed, compares Federal salaries with average private enterprise salaries as shown in the 1972 *National Survey of Professional, Administrative, Technical, and Clerical Pay*, and recommends a 5.14 percent increase in Federal salaries in order to achieve comparability with the private sector.

The report of the Advisory Committee on Federal Pay, which I appointed under the provisions of section 5306 of title 5, is also enclosed. The Advisory Committee generally agreed with the recommendations of the Director of OMB and the Chairman of the Civil Service Commission and endorsed their plans for studies and further refinements in the pay comparison process. However, the Advisory Committee also recommended that in addition to the 5.14 percent increase, an extra pay adjustment of approximately .36 percent be granted to make up for the three-month delay of this pay adjustment that was necessitated this year by the Economic Stabilization Act Amendments of 1971. Since such an increase would result in paying Federal employees higher salaries than comparable private enterprise employees as shown by the annual Bureau of Labor Statistics Survey, I have concluded that such additional increase would be neither fair nor justifiable.

Also transmitted is a copy of an Executive order promulgating the adjustments of statutory salary rates to become effective on the first day of the first pay period beginning on or after January 1, 1973.

Concurrent with the issuance of this Executive order adjusting pay for civil servants, I have also signed an Executive order providing a pay increase of 6.69 percent in the basic pay of members of our uniformed services. This Executive order complies with section 8 of Public Law 90-207 (81 Stat. 654), which provides that whenever the rates of the General Schedule of compensation for Federal classified employees are adjusted upwards, there shall immediately be placed into effect a comparable upward adjustment in the basic pay of members of the uniformed services.

RICHARD NIXON.  
THE WHITE HOUSE, January 9, 1973.

#### THE NEED FOR MILITARY SUPERIORITY

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

Mr. ASHBROOK. Mr. Speaker, the New York Daily News of January 2 of this year carried a very sobering item by its veteran columnist, Jerry Greene, on the Soviet Union's ever-expanding armament program. In addition to citing

intelligence reports that the U.S.S.R. is now building its first aircraft carrier, he points out, among other things, that American sources believe that the Soviets have twice tested in the Pacific the SSN-8 missile with a "startling distance" of 4,000 miles. Also under development is a successor to the huge SS-9 ICBM, a new, smaller rocket to replace the SS-11 which is comparable to the U.S. Minuteman and a new swing-wing supersonic bomber similar to our B-1 bomber which is now under initial construction in this country.

These new Soviet developments should be of interest especially to those American citizens who believe that the United States should strive to have and hold military superiority over the U.S.S.R. In a poll taken last year by Opinion Research Corp., of Princeton, N.J., for the American Security Council, a long established and highly competent private organization in the field of national defense, 68 percent of respondents replied "yes" to the question: "Do you believe that the United States should have a policy of military superiority over Russia?" Furthermore, the poll found that, in the event that Russia did establish superiority, 56 percent would be willing to spend \$20 billion more each year to regain the lead.

The information cited by Columnist Greene should help to dispel any euphoria resulting from the SALT agreements. Although the agreements do inhibit to some degree what we can advocate in specific weapons systems, still they do not deny to the United States the right to hold a margin of strategic advantage in bombers, mobile missiles, sub-launched cruise missiles, and orbital bombardment systems. Neither do they prohibit qualitative superiority in our weapons.

To counteract the expanding Soviet military program, the administration supports the B-1 and Trident programs to insure that 1977 does not find us with no avenue of recovery if the Soviets follow form and utilize SALT I as a means of gaining further advantage over the United States.

Last year, to explain the military situation more graphically, the Institute for American Strategy, in cooperation with the American Security Council, the Center for Strategic and International Studies of Georgetown University and Jane's Fighting Ships, produced a documentary film on the shifting balance of military power between the United States and the U.S.S.R., entitled "Only the Strong." Using Soviet film footage of some Soviet weapons in action, the film presented views on our military posture by such experts as Dr. Edward Teller, the nuclear physicist; Foy Kohler, former Ambassador to the U.S.S.R.; Gen. Bruce Holloway, former commander in chief of our Strategic Air Command; Gen. Seth McKee, commander in chief of the North American Air Defense Command; Norman Polmar, U.S. editor of Jane's Fighting Ships; George Champion, former chairman of Chase Manhattan and member of the President's Blue Ribbon Defense Panel and Gen. Lyman Lemnitzer, former Chairman of the

Joint Chiefs of Staff. Needless to say, these experts in both the military and political fields issue grave warnings concerning our military posture vis-a-vis the U.S.S.R. Dr. Teller summed up the situation best when he stated: "We are not prepared."

It is encouraging to learn that the film, "Only the Strong," for instance, has been shown on over 350 TV stations throughout the country with the total numbers of viewers numbering in the millions. Private organizations have also made the film available, and the total number of viewers via this route would be difficult to estimate. The Institute for American Strategy of Boston, Va., certainly has done its share in emphasizing the urgent need for military superiority of the United States in its confrontation with the U.S.S.R.

I submit at this point the informative column by Jerry Greene from the New York Daily News of January 2, 1973:

#### SOVIETS BUILDING FIRST FLATTOP AND FLEXING ITS MISSILES

(By Jerry Greene)

WASHINGTON, January 1.—Intelligence reports here provide conclusive evidence that Russia is now building her first aircraft carrier, and, since the signing of the strategic arms limitation treaty last May, has pushed the Soviet armament program vigorously, without letup in money or momentum.

The carrier has been under observation since the keel was laid, but analysts were uncertain for a long time just what type of ship would evolve. Now it has become evident the vessel is a true flattop, about the size of a U.S. medium carrier (such as the 52,000-ton Franklin D. Roosevelt) equipped to handle fixed-wing aircraft. Previously, the Russian navy had only two helicopter-cruisers.

It is almost that time of year, of course, for the annual sighting of Russian submarines off our shores and the grave Pentagon nuclear warnings that inevitably come along when the military budget is sent to Congress.

We thought we'd jump the gun a trifle and take a look at the prospects under daily study by the Joint Chiefs of Staff and report such facts as are at hand, without regard to budgetary processes and arguments.

The Russians have been adhering strictly to the terms of the Salt treaty, and to the interim agreement signed by President Nixon and Soviet Party boss Leonid Brezhnev freezing offensive weapons. But they have by all counts been doing all that the pacts allow.

They are building "several" additional cruisers; our sources wouldn't give the exact number. The ships are missile-armed. They are continuing the production of "Y" class nuclear missile submarines at the rate of nine or 10 a year.

This Y class normally has 16 launching tubes, similar to our Polaris submarines. However, there is fresh evidence that the Russians are building an improved version of the Y submarines with 12 larger missile tubes, designed for a new and more powerful ICBM.

The American experts say the new missile is the SSN-8, comparable to the U.S. Navy's Poseidon.

It was the SSN-8 that the Russians tested twice last month in the Pacific, firing the warheads the startling distance of 4,000 miles to an impact area north of Midway Island. This missile is reported here to be "nearly deployable"; our people simply do not know whether it is now equipped with MIRV, or even MRV.

The MIRV is the "multiple independently targeted reentry vehicle" which we have and we don't think the Russians have yet; the MRV is the multiple warhead, not indi-

vidually aimed but fired with a sort of shotgun effect, which the Soviets do have in service.

#### TEST A BIG ICBM

We have learned that the Soviet scientists have been testing a new large ICBM, designed as a successor to the huge SS-9, as well as a new, smaller rocket to replace the SS-11, which is comparable to the U.S. Minuteman.

Russian airmen have completed development of the "Backfire," the NATO identification assigned to a new swing-wing supersonic bomber, about the same class as the B-1 bomber now under initial construction in this country.

In the fighter aircraft line, Russia is pushing the deployment of the Foxbat, which is described here simply as the world's best combat aircraft. A couple of these planes have been spotted flying around the Suez Canal area, with the Israeli air and missile forces unable as yet to knock one out of the skies.

For their ground forces, the Soviets are producing newly designed artillery and tanks.

The sordid details will be laid before committees of Congress beginning next month, when the Pentagon will be accused of trying scare tactics once more, this time to obtain approval of an \$80 billion budget for fiscal 1974. And a stem-winding battle will flare immediately over powerful efforts to cut back, not increase, defense spending. This fight will rage for months.

#### OFFER AN EXPLANATION

Perhaps the new Salt talks will lead toward greater restrictions on armaments; maybe the negotiators can help save the world from nuclear burning. But we ran across an item in the January issue of the prestigious magazine *Foreign Affairs* which offers explanations of the arms race, and raises doubts about ending it.

The author was Michael Howard, a fellow in higher defense studies at Oxford University.

"It is a somber thought," Howard wrote, "that, at a time when so large a proportion of the human race remains near starvation level, about 6% of the world's resources, or something under \$200 billion, is still being devoted to military expenditure, with no serious likelihood of this situation fundamentally changing during the remainder of this century."

"Social scientists will continue to seek basic causes in the hope of offering total solutions, but at the political working level, the explanation is simple enough. Any sovereign state . . . may have to use or indicate its capacity and readiness to use force . . . to protect itself against coercion by other states . . . ."

Russian missile submarines today are conducting operational patrols off both East and West coasts of this nation.

#### APPOINTMENTS AS MEMBERS OF HOUSE OFFICE BUILDING COMMISSION

**THE SPEAKER.** Pursuant to the provisions of title 40, United States Code, sections 175 and 176, the Chair appoints the gentleman from Massachusetts (Mr. O'NEILL), and the gentleman from Michigan (Mr. GERALD R. FORD), as members of the House Office Building Commission to serve with himself.

#### IN MEMORY OF PRESIDENT HARRY S TRUMAN

**THE SPEAKER.** Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 60 minutes.

**MR. RANDALL.** Mr. Speaker, on December 26, 2 weeks ago today, my neighbors in Independence, the people of Missouri, all Americans, as well as all the people in the free world, were bowed in sorrow and grief when they heard the sad news of the passing of former President Harry S Truman.

Today, here in the great hall of the House of Representatives, we have an opportunity to pause once again to pay tribute to this great American. Many Members who are here in the House served in Congress when Mr. Truman was President.

For some of the other Members he will be remembered as one, who in 1948 as he traveled across America, took time from his own desperate campaign to help by saying a good word for fellow candidates running for office.

Some of those who are here as Members today were then running for either State senate, State representative, or even county office.

My own close and pleasant association with Mr. Truman goes back to 1932, the year I cast my first vote. I was ushered into his personal and political fellowship and association by a close mutual friend, the late Judge E. I. "Buck" Purcell. Later I had the opportunity to hold the same seat on the Jackson County Court which he occupied. Now, for the past 14 years, it has been my privilege and high honor to be his Congressman, and with great pride I acknowledged him as my No. 1 constituent.

My purpose today is not to repeat what every American—from the most advanced student of the Presidency to the youngest reader of a third grade history book—knows well. I shall not be concerned with dates or historical facts, but with the man himself. I do not wish to repeat what this outstanding leader did, or how or even why he did it, but rather to look beyond the deed at the doer.

Harry Truman exemplified the American ideal of success. He worked his way up from railroad timekeeper, to bank bookkeeper, to farmer, to postmaster, to road overseer, to soldier, to haberdasher, and finally to public servant. The trail was not easy as he met failures in both private and public life. Still in the face of adversity he continued to strive for success.

His humility, boldness, doughtiness, and yes, also his unpretentiousness contributed to his integrity which always endeared him to the American public. In keeping with his adolescent talent of plowing the straightest furrow in Jackson County, the then Missouri Senator actually fought against accepting the 1944 Vice-Presidential nomination because, as he put it, he did not want to enter the White House through the back door. He practically had to be ordered by President Roosevelt to accept the bid. After Mr. Truman became President, he proved he was strong enough to fire an American military hero who was responsible for some of our greatest and most brilliant victories. It was this same President who displayed his humility by stating doubts that his signature would ever be wanted as a souvenir. But he was

tough whether in withstanding the German artillery as a soldier, in deciding to drop the atomic bomb, or in defending against the critics, that is, the musical critics, about the musical talents of his daughter. Even as the occupant of the second highest office in our Nation, he demonstrated his unpretentiousness. Then Vice President Truman personally journeyed back to Missouri to pay his final respect to an important western Missouri political leader, even though this man had experienced some difficulties with the law. Mr. Truman was a man with whom almost everyone could identify.

In April 1965 on the 20th anniversary of his assumption to the Presidency, Mr. Truman received the coveted Freedom Award, presented annually since 1943 for outstanding contributions to the cause of freedom. In explaining the selection of President Truman to receive the year's award, the judges said:

President Truman's leadership—particularly in initiating the Marshall Plan, the Truman Doctrine and the defense of South Korea—set the pattern for America's worldwide activities in behalf of freedom.

The plaque presented to President Truman summed up this courageous man's place in history more succinctly, but no less meaningfully:

Wise in Policy  
Valiant in Action  
Decisive in Leadership  
You Gave a Battered World New Hope

But perhaps the most eloquent and meaningful tribute to our former President was delivered by one who served with him as he took upon his shoulders the problems of our country and the world, and who therefore knew him best. Dean Acheson, in the major address at the Freedom Award ceremony, reminded us that the policies of the Truman administration in foreign affairs showed a sweep, a breadth of conception and boldness of action which were new in this country's history.

"Many of President Truman's decisions," the former Secretary of State said, "constituted expanding action in truly heroic mold."

All of them were dangerous; all of them required the rare capacity first to decide and then not simply decide, but to act. All of them were decided rightly and they were vigorously followed through.

When they appraise Mr. Truman, most persons will invariably say he grew in office. Of course, this has become one of the moldier cliches about many U.S. Presidents, but no one seemed more deserving of these words than Harry S Truman, who died 2 weeks ago today at the age of 88.

Remember, he was propelled, shall we say, stammering to himself into the White House by F. D. R.'s death on that day in April 1945, when the word came from Warm Springs.

It was not long until this little Missourian took firm command, mapped the postwar recovery in the United States and Europe, won an astounding election victory and laid the foundations of a foreign policy that led Churchill to declare, "You, more than any other man, have saved Western civilization."

He believed in simplicity and just as he wished it, his memorial services were without fanfare as he was put to rest in the courtyard of his cherished Truman Library in Independence, Mo., in a ceremony of austere simplicity.

I think one of the myths of modern American folklore is that our 33d President, Harry S Truman—you may recall many times he said he should have been described as the 32d President—was an average man, or sometimes called a common man. Harry Truman certainly seemed average but he was not average, and he was a most uncommon man. True, he had never gone to college. He had been a dirt farmer and a clothing salesman, but to compound his image, Harry S Truman sounded like an average man as well. Never in his life did he ever have to make anything “perfectly clear,” because people knew what he meant. His language was simple, direct and often earthy, as political opponents and, yes, you recall those music critics, could attest. Harry Truman could, as he said, “give ‘em hell” just like the common man.

He was above all a man of the people. He understood them. More importantly, they understood him. They trusted him maybe because he considered himself, as he once put it, “a lobbyist for the people.”

But, can we say that it was an average man or a common man who had to make that momentous decision to order that the atomic bomb be dropped on Japan; brought the United States into the UN; raised Europe out of the ashes of World War II with the Marshall plan; the man who established NATO? Can you call average a man who first developed technical assistance programs for the poorer nations of the world; who introduced the first sweeping civil rights legislation in this century; who helped bring to life the State of Israel; who decided to send American troops to fight in Korea? Could it have been an average man who had the courage to remove General MacArthur? Could it have been an average man who came from behind against all the great odds to win the election in 1948? And what kind of an average man would it be who could go to sleep election night before the returns were in?

No, for all of these things it had to be a most uncommon man. Now, Mr. Truman may have seemed like every man, but he was in fact tougher, more decisive, more courageous and more independent than most men.

I am sure scholars will disagree with some of his policies and question some of his judgments.

But one thing is quite clear. This man from Independence, Mo., was no average man, or even an average President. Rather, he was a great man and a great President.

I think an interesting insight into the man's inner beliefs will be found in a note in his own handwriting saying how long and how often he said his favorite prayer. This is quoted both in the book “Good Old Harry” compiled by George S. Caldwell and also in the book “Mr. President” by William Hillman. Reference in those sources is made to a note written

in Mr. Truman's handwriting on White House stationery and dated August 15, 1950, about the prayer he used so often, like writing to himself, this note said:

This prayer has been said by me—Harry S Truman—from high school days, as a window washer, bottle duster, floor scrubber in an Independence, Missouri, drugstore, as a time-keeper on a railroad contract gang, as an employee of a newspaper, as a bank clerk, as a farmer riding a gang plow behind four horses and mules, as a fraternity official learning to say nothing at all if good could not be said of a man, as a public official judging the weaknesses and shortcomings of constituents, and as President of the United States of America.

That note was found attached to his favorite prayer in his own handwriting on his desk in 1950 at the White House, and the prayer he carried with him and referred to as his favorite prayer reads as follows:

Oh, Almighty and Everlasting God. Creator of heaven and earth and the universe: Help me to be, to think, to act what is right, because it is right: Make me truthful, honest and honorable in all things: Make me intellectually honest for the sake of right and honor and without thought of reward to me. Give me the ability to be charitable, forgiving and patient with my fellow men—Help me to understand their motives and their shortcomings—even as thou understandest mine: Amen.

It is my judgment that one of the shortest and best appraisals of the Truman years is by Cabell Phillips, who for a long time was the New York Times Washington Bureau representative; for some 20 years, I think. He knew intimately many of the key people of the period. He had a trusted reporter's grasp of the Truman administration from its beginning to the end. In his book, “The Truman Presidency,” which he calls the history of a triumphant succession, he points out the problems that confronted Truman were enormous in their scope. But with his rocklike character he faced up to them unflinchingly, through the Potsdam Conference, the terrible decision to drop the atom bomb, the onset of the cold war, and even the attempts of his own party to dump him in 1948.

Then there was the grim campaign of that year, and its glorious upset.

As I mentioned, he had to confront the insubordinate MacArthur and even the insolent McCarthy. But probably some of his greatest achievements, if we limit them to three, were the Marshall plan, the formation and establishment of NATO, and the Korean intervention.

He set a course for this Nation's foreign policy which endures to this very day.

He was a sentimental man, admittedly a stubborn man, often impetuous, but he was unwavering in his determination to do what he thought was right, and he was temperamentally incapable of walking away from a fight.

But he was a man who admitted his mistakes. He did have flashes of temper, but he also had a sense of humor. He had strong loyalties, and he had unabashed affection for his mother, his wife, and his daughter. And all these blend with his stern sense of duty to make Harry Truman one of the warmest and

most believable figures in all American history.

Mr. Speaker, I take this time to yield to my colleague and neighbor, the dean of the Missouri delegation who served in the House during the Truman years, the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Missouri for having taken this special order and yielding to me.

I have not heard it said, but has the gentleman obtained recognition for all Members?

Mr. RANDALL. I have, Mr. Speaker.

Mr. BOLLING. Fine. Mr. Speaker, I would like to have included in the RECORD at this point the statement that I issued on the death of Mr. Truman. I think it says quickly and as well as I can say it what I think of Mr. Truman's place in history.

Harry S Truman now belongs to the ages. He has long since joined the list of great American Presidents for his foresight, courage and determination in the field of foreign and defense policy. More and more people are coming to realize that had the people of the United States been wise enough to support his domestic programs they would have saved themselves many agonies and many tragedies. His foresight on civil rights and health care, on housing and education, matches his leadership of the Marshall Plan and the defense of Korea from aggression.

Mr. Speaker, I would like to take a minute at this point to add to the remarks that have been made and will be made, with this thought: That too often we neglect to note those who live after the person that we eulogize.

This is particularly true in the case of a lady who, I think, contributed enormously to Mr. Truman himself personally and to his Presidency. She, I believe it is safe to say, was as popular a First Lady as there ever was in the history of our land. She was and is a distinguished citizen of Independence. She has always conducted herself with infinite kindness, patience, and sweetness.

Mr. Speaker, I think Mrs. Bess Truman is one of the more remarkable people whom I have ever had the privilege of meeting, and, of course, all of us feel very strongly her bereavement and extend to her our condolences, but I think that this occasion would not be fully met if some mention were not made of this quite extraordinary woman, the woman who was such an extraordinarily fine companion and loving mate of the remarkable President we are eulogizing today.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. RANDALL. Mr. Speaker, I thank the gentleman from Missouri (Mr. BOLLING) for his contribution.

Of course, our prayers and deepest sympathy go to this beloved lady and the daughter whom our former President loved so much.

Mr. Speaker, it is a privilege to yield at this time to the gentlewoman from St. Louis (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I thank the gentleman.

Mr. Speaker, the Nation and the world have joined the people of Missouri in

mourning the passing, on December 26 of one of the great Americans of our era—a man who rose from farm lad to President and who, nearly 20 years after leaving office, was honored and respected and loved even more than while he served in the most powerful elective office in the world.

At the time of his Presidency, Harry S Truman was bitterly attacked from all sides for the actions he took as President. He lived long enough to have history not only set the record straight, but also to elevate him to a place among our greatest Presidents.

It was as a great human being, however, that he captured the love of the American people. What he did for humanity in a world in turmoil and chaos made him a statesman of the foremost rank. What he was as a person—fiercely loyal to friends and completely devoted to family and unashamedly patriotic—earned him a place in the hearts of Americans which few Presidents managed to achieve or maintain after the glamor of holding our highest office had ended.

We in Missouri regarded Harry Truman as a man of such complete personal integrity and honor that he became a symbol of the best in political service. He was a good politician in every sense of the word, and he made politics a respectable profession in our State.

Although he had been out of the political battles for most of the past 20 years, devoting his time to the Truman Library of which he was so deeply proud, he was always willing to share his wisdom and political experience with those who sought out his views, and he never pulled his punches.

His gracious and courageous wife, one of the finest First Ladies to have served in the White House, his sweetheart through a long, long life together, has our deepest sympathy and great affection as she faces the lonely days and years ahead. We all realize the tremendous loss she has suffered. And to Margaret Truman Daniel, in whom Harry Truman took such fatherly pride, we express our profound sympathy and also our joy that she was so successful in so many ways in honoring her father through her love and devotion.

Mr. RANDALL. Mr. Speaker, I thank the gentlewoman for her fine contribution.

I have the privilege at this time to yield to the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. I thank the gentleman for yielding and am pleased to join in the tribute to our great President, Mr. Harry S Truman.

One of Mr. Truman's statements was that "If you do your best, history will do the rest." I think his life has certainly demonstrated that fact.

One of the things I liked about Mr. Truman and one of the stories that followed him was about the time he faced the problem that we all face in politics when people would run up and say, "Do you know who I am? Can you tell me my name?"

Someone is alleged to have run up to

Mr. Truman when he was running for the Senate and said, "I bet you do not know who I am," to which Mr. Truman said, "No, and I don't give a damn."

Well, a lot of us wish we could have that courage, but few of us could be elected doing that, except a man like Harry Truman.

Another story in Mr. Truman's memoirs relates to an incident in Wellsville, Mo., in my district, when he was running for the Senate at the time of his second term. There was a Republican meeting over there, Mr. Truman relates in his memoirs, and the man running against him, I believe, was named Davis, in the year of 1940. According to Mr. Truman's story, he said that there had been some lies printed about him in the St. Louis Post Dispatch and the Kansas City Star and Mr. Davis was repeating them and apparently having a grand time doing it. When he got done a man from that community, Jim Wade, went up to Forrest Donnell, who was the elected Governor in that year, a Republican, campaigning with Davis on the Republican ticket, and Wade said, "Could those stories about Mr. Truman be true, and if it is true, could he still be Grand Master of the Masonic Lodge," to which he was elected. To his great credit, Forrest Donnell said, "No," whereupon Mr. Wade repeated that story around, and according to Mr. Truman that was good for many votes.

They also report that in Mr. Truman's career he first learned that you must be faithful to your friends, although they may sometimes fall on bad times. This was certainly demonstrated in the Pendergast affair with Mr. Truman. It was, indeed, they say, a semi-falling out between Mr. Pendergast and Bennett Clark over the patronage through Franklin Delano Roosevelt that led Mr. Pendergast to look for someone to take the other Senate seat and Pendergast sought someone who was opposing Clark's candidate for the Senate. Of course, Mr. Truman came to be that man after being turned down earlier in his desire to run for Congress. They had a Senate opening, and it was offered to him, and he was successful in it. Of course, it became the privilege then of Senator Bennett Clark, then senior Senator from Missouri, to present Mr. Truman to the Senate when he took his oath.

Later on Bennett Clark, the son of Speaker Champ Clark of Missouri, who made the nominating speech for Mr. Truman when he became Vice President in 1944. Senator Truman was opposed, as I have mentioned, in 1940 by then Governor Lloyd C. Stark. Truman was seeking his second term in the Senate, and as one who lived in Governor Stark's home county in those days I can attest to Mr. Truman's popularity. As fast as you took down his posters, someone else put them up. He was recognized across the State as a champion of the people.

He had a certain grandness of character, and again he relates in his memoirs how in World War II he appointed Paul Stark, who was the brother of his old senatorial opponent Gov. Lloyd Stark, to conduct a victory garden campaign throughout the country.

Mr. Truman drew valuably on his Army experience. He knew what that meant in the service of his country. He relates, in fact, that it was through that experience it made him such a great friend of the State of Israel, that is, in recognizing Israel's independence only minutes after it had been declared.

He related the story of how his old haberdashery partner, Mr. Jacobson, a Jewish friend came to the White House. One of the great rabbis had come to Washington, but Mr. Truman repeatedly refused to see either him or anyone from either side in the controversy. However, this Jewish buddy of his from his Army days came to him and said he had never asked him for anything but this was a great religious leader and that he should see him. He did, and this led to historic action from which the world profits today.

It has been written that Mr. Truman was wrong in most of his small decisions, but right on all of the big ones. I think that we all join in that commendation, and hope that other leaders of our national life can have a similar success.

Mr. Speaker, I thank the gentleman from Missouri for yielding me this time.

Mr. RANDALL. Mr. Speaker, I thank the gentleman from Missouri (Mr. HUNGATE) for his remarks.

I might interject at this point that the gentlemen to which he was referring were Eddie Jacobson and also Eddie Meisberger. But while Harry S Truman was very close to those men he was also close to each of those whom he regarded as his buddies in Battery D.

Mr. Speaker, I could not conclude these observations made in the memory of this great President without calling your attention to two of his famous sayings that describe the man perhaps better than anything else.

As you know, on President Truman's desk were the words, "The buck stops here." That should show his forthrightness and his straightforwardness as well as his courage.

Then again there were the words that he used so many times, "If you can't stand the heat, get out of the kitchen."

Well, Mr. Speaker, this man from Missouri proved again and again that he could thrive on the heat of the kitchen, and he had the courage and the grit to take heat from any source once he was convinced that he was right.

I said in the beginning of these comments that rather than reciting events which are a matter of history, or particular official enactments, I would try to say something about the doer of those deeds. It seems to me that we should take a moment to look back on some of his personal characteristics. And if I may be pardoned I know firsthand of some of those from my personal experience.

I would first consider the matter of the personal honesty of this man, which was also mentioned by the gentleman from Missouri (Mr. HUNGATE) in his remarks. He referred to his membership in what was then called the Pendergast organization—and it is true there had been some local scandals—but one evening in August of 1934 Mr. Truman came to me and

asked me if I would journey south about 90 miles to the city of Nevada, Mo., in Vernon County, which is now in our congressional district.

He said, "I heard those people down there say that because I am a part of the Pendergast organization there must be guilt by association. Will you go down there to speak for me?" I said, "Why, of course." He was then serving as judge of the county court. I went that night because I was personally convinced of his honesty. I went down there because I knew that. Here was a man who was a presiding judge, and chief administrative officer of a large metropolitan county who was spending, even in those days, between \$15 and \$20 million a year without ever a hint of any sort of scandal of any kind. And he served for two full terms in that capacity. The man was completely honest.

Then we hear it so often said that he was a man who had lots of other good characteristics and personal traits of character of a very high order. And when it comes right down to it these characteristics were ingrained in him. Once again I go back to a comment made by the gentleman from Missouri (Mr. HUNGATE) when he was referring to the campaign in 1940. At that time it was my lot to be driving and working in the campaign with the candidate for Governor, the late Larry McDaniels, and the late Hunter Allen was Mr. Truman's driver. And one day in the early part of September Mr. Allen became ill, and Mr. McDaniels offered to loan me as a driver to Mr. Truman, who was then a candidate in his second term. And he said to Mr. McDaniels, "That is a generous offer, and I am grateful."

One night about 5:30 or a quarter of 6 we were together, the candidate for Governor and the candidate for Senate, Mr. Truman in a motel out west of Columbia, Mo., known as the Pierce Pennant Motel, and which was run by the Sinclair Oil people. That night Mr. Truman discovered that he had used his last clean shirt.

I recall I stepped up and said, "Well," referring to my own shirt, I said, "I do not know whether this is much better, but you are certainly welcome to it." Actually another aide ran downtown and bought one just before the stores closed.

From then on, again and again, he expressed his gratitude to me many times. He said, in my presence to others, "Here is a man who is such a good friend that he would take the shirt off his back and give to a friend in need."

He was a man who believed that gratitude was one of the most important traits of character that a man can have.

Finally, there was one other trait that he demonstrated so many times—his humility. It was in early 1971 when there was a movement by several Members to introduce legislation to award to our former President the Congressional Medal of Honor. I, as his Congressman, knowing of the man's reluctance to have so many edifices and stadiums and highways and airports named after him, thought it was best that I be certain of his wishes in this matter.

So it was that I had one of the last and

one of the longest and one of the most pleasant conversations with Mr. Truman in April of 1971 at their home and in the presence of Mrs. Truman, in which we asked him about his wishes in this matter.

I think the whole thing was summed up by The New York Times in their story following that occasion, the headline of the story was "Thanks, But No Thanks."

He made it so plain to me that even if the President of the United States came out to present him with that Medal of Honor, he would decline to accept it because of his humbleness and his humility—he said he did not deserve it and that it should be reserved only for those who earned it in combat.

Here is a letter which I shall always treasure and which I will read into the RECORD at this time, from Harry S Truman, Independence, Mo., on April 8, 1971:

INDEPENDENCE, Mo.  
April 8, 1972.

Hon. WM. J. RANDALL,  
*House of Representatives, Washington, D.C.*

Dear BILL: Your visit with me about the proposed award of the Congressional Medal of Honor was most pleasant and I greatly appreciate your interest in this matter. I am writing this to confirm my views and reasons and my unwillingness to accept one.

In the first place, I do not consider that I have done anything which should be the reason for any award, Congressional or otherwise.

Next, the Congressional Medal of Honor was instituted for combat service. This is as it should be and to deviate by giving it for any other reason lessens and dilutes its true significance. Also, it would detract from those who have received the award because of their combat service.

Therefore, I again confirm what I told you—I would not accept it.

This does not mean I do not appreciate what you and others have done, because I do appreciate the kind things that have been said and the proposal to have the award offered to me.

Therefore, I close by saying thanks, but I will not accept a Congressional Medal of Honor.

Sincerely yours,

(s) HARRY S TRUMAN.

"Thanks, but no thanks"—that was proof once again of that trait of character of a man who was a great man but also a humble man.

Mr. Speaker, all of us will mourn his passing in the days which lie ahead. We will all miss this great American, who was loved by everyone.

Mr. ALBERT. Mr. Speaker, I wish to join with my colleagues who have expressed tributes to Harry S Truman.

The passing of the former President brought a special loss to the American people and to me personally. Harry Truman was President when I came to Congress, and I will be eternally grateful for his thoughtfulness and wise counsel. He was one of the finest men I have ever known.

Harry Truman was loved and respected by millions of people he never had a chance to meet. He was a people's President, a man who always was himself and a man with whom every citizen could identify. As President he displayed an unequalled courage and determination in his selfless service to our Nation. A

fighter who vigorously entered many battles, Harry Truman weathered every storm. Only after an insurmountable weariness of body did his fighting heart lay down to rest.

No one could deny that Harry Truman lived every minute of his life to the fullest. Even his 20 years of retirement were filled with productivity and service to others. Memories of Harry Truman will live forever in the hearts of all Americans. He made too great a mark to ever be forgotten. He has made his place not only as a great human being but as one of the extraordinary Presidents in our Nation's history.

Mr. ICHORD. Mr. Speaker, one of the thrilling aspects of American history is that we so often see ordinary men accomplishing extraordinary things in this country. Some of our great leaders have been men of noble birth and wealth as George Washington. Others have been men of common birth and poor childhoods as Abraham Lincoln. Harry S Truman, who is undoubtedly the most famous son of the great State of Missouri, was an ordinary man in every respect, but few men in the history of this proud Republic will be remembered for more extraordinary accomplishments.

Each time a great leader passes away, Mr. Speaker, we talk of the great loss our country has suffered. Yet in the case of former President Harry S Truman I somehow feel that we have lost more than a great man, a great leader, and a true statesman. I feel that the death of Mr. Truman may symbolize the loss of a great spirit in this Nation. There was a spirit which prevailed in the early days of this country enabling the pilgrims to endure the hard winters and the attacks by unfriendly Indians and allowing Washington's men to survive the impossible winter at Valley Forge. This spirit guided our forefathers as they took this vast uncharted wilderness and turned it into the greatest, most advanced and most powerful nation in the history of man in a few short years.

Mr. Truman had this spirit which enabled him to make the big decisions without taking a poll to determine the public reaction or worrying about the political risks involved. Harry S Truman was a rugged individualist who did not start out to be President, but was not afraid to take a stand and stick it out. He was a common man—a man of the people—and his only concern during the 7 years he held the most important office in the world was to do what was best for the Nation and her people. He was a decisive man and a true politician with great love for and dedication to his political party, but he was statesman enough to know where partisan politics must cease and the country must come first.

Harry Truman, the simple haberdasher from a small town in Missouri, was called upon to make some of the most difficult and momentous decisions in the history of our country, ranging from the dropping of the atomic bomb on Hiroshima to the institution of the Marshall Plan. The use of the atomic bomb against the Japanese was particularly a difficult decision for a gentle kindhearted man to make, yet it undoubtedly saved the

lives of thousands of my own generation of Americans in an invasion of the Japanese Islands. To paraphrase one of his own favorite sayings, "he could stand the heat and stay in the kitchen."

Harry Truman was indeed a man who could make a decision and stand by it without weakening. The buck always stopped with Harry Truman. His courage and decisive action saved Iran, Greece, Turkey, South Korea and all of Western Europe from falling into the Communist camp. The Truman doctrine was responsible for containing the runaway spread of communism. He loved freedom and felt that the right to be free could not be limited only to our own shores. Sir Winston Churchill quite frankly confessed that though he dreaded to see Harry Truman become President of the United States, the unimposing Missourian had done more to contain communism than any man in the world.

On the occasion of the burial of Julius Caesar, Mark Antony stated his concern that:

The evil that men do lives after them, the good is oft interred with their bones.

This I do not believe is the case with Harry Truman. History has already been much kinder to him than his contemporaries were. His term of office has been marked as a period of one of America's strongest, most courageous and greatest Presidents. It is my opinion that future historians will recognize this fact even stronger.

As I said, Mr. Speaker, Harry Truman's death may signify the end of a great era in our history when leaders knew the real meaning of courage, loyalty, statesmanship, and dedication. It is entirely possible that President Truman will be the last man of modest means who rose from the ranks of the common people to become President. I believe that our Nation is stronger and our lives richer because this man of the people served in the highest office in our land. I also strongly believe that if we will all remember his dedication in serving the people that our roles in government will be more meaningful and productive.

Mr. BARRETT. Mr. Speaker, on December 26, 1972, the distinguished 33d President of the United States, Harry S Truman, died at the age of 88 years. As one of the few remaining Members of this body who served here during the Presidency of Harry S Truman, I can recall that my service in those years from 1945 to 1953 under his leadership as one of the great experiences of my political career. I have always said, even in those lean, post-war years when everyone was condemning President Truman, that he would be recorded in history as one of our greatest Presidents. History is beginning at this time to so record him.

The man from Independence succeeded to the Great Office of the Presidency at one of the most difficult times in our history. It was his duty to end World War II, to preside over the reconstruction of Europe, and the reordering of our domestic affairs following the war. Few people in 1945 knew or expected

Harry Truman to be able to handle this impossible task. His first decisive actions were of the caliber that led me to believe early that Harry Truman had the makings of a great President. He was one of those rare Presidents who understood and respected the Congress, but more importantly, who understood the American people. It was his grasp of the issues that affected the American people that led him to believe all the time that he would win the 1948 presidential election. I can recall in 1948 myself the doubts that most people in my own city of Philadelphia as to whether President Truman would carry Philadelphia. Early in the campaign, I was one of those who felt that he would not be able to win in Philadelphia, but as the campaign wore on, as I spoke to more and more of my constituents, they told me that Truman was their choice. It was the little man, the working man, who gave Harry Truman the support.

We have all read and heard of the great accomplishments of Harry S Truman during his presidential career, but I think one of the truly great attributes of this man was this dignity and independence that he retained as an ex-President from 1953 till his death on December 26. President Truman's career has been heralded for the great accomplishments in presiding over the ending of the war, the reconstruction of Europe and the containment of communism in both Europe and Asia. His accomplishments on the domestic scene, in my opinion, were as extraordinary as his accomplishments in foreign affairs. He did not succeed in enacting many of his domestic proposals such as Federal aid to education, federally assisted medical care for the aged, and greatly expanded Federal assistance to housing and urban development. He provided the leadership and initiative in these domestic areas for succeeding Presidents and Congresses to enact into law. In the field of which I am particularly interested, housing and community development, President Truman's 4-year battle to establish major new initiatives in housing and urban development came to fruition in the historic Housing Act of 1949. Without his leadership and patient negotiations this historic act would have never been enacted in its existing form. He was the first president to stand up and assert the rights of all Americans. He boldly segregated the Armed Forces and sent the first civil rights message to the Congress. He always held firmly to his convictions and never wavered even when the political odds were against him. Harry S Truman was a great and humble man, a friend, and truly one of the great Presidents of this country.

Mr. EVINS of Tennessee. Mr. Speaker, I want to take this means of paying a brief but sincere tribute to the late President Harry S Truman.

Harry Truman was an outstanding Senator, a great President, and an American in the truest sense of the word. History has already judged this unassuming President from Missouri as one of our great Presidents.

It so happened that when I first came to the Congress, the Members of our

"freshman class" in the 80th Congress were invited to meet with President Truman. Our "class" included our distinguished colleagues, Speaker CARL ALBERT and former President John F. Kennedy, and we all enjoyed the cordial get-together with President Truman, which was arranged by the late Speaker Sam Rayburn.

Years later on the occasion of President Truman's 70th birthday, Dean Acheson, who served as Secretary of State in his administration, discussed the life and career of this outstanding leader. Secretary Acheson pointed out that Harry Truman had a rare quality—a quality few people possess—the ability to make decisions and to make up one's mind on public issues—and, more than that, the ability to make right decisions.

Many Presidents appoint commissions and committees to study matters that are brought before them for action. Not Harry Truman—he refused to pass the buck. He accepted the responsibility of the Presidency and he acted with courage and decisiveness.

Some of the major decisions—right decisions—which President Truman made include his orders to resist Communist aggression in Korea; drop the atomic bomb on Japan, to end the war and which saved thousands of American lives; to strengthen Greece and Turkey against the threat of communism through a program of assistance known as the Truman doctrine; and his support of the establishment of the United Nations as an instrument to promote peace.

At the Democratic National Convention when he was nominated for the Presidency in 1948, the banners pinpointed another of President Truman's great qualities with the words: "Truman is Human."

Indeed he was, in the tradition of Andrew Jackson. He was truly a man of the people, plain, outspoken, shunning pomp and ceremony.

As a result of the hard and difficult decisions which he made unhesitatingly, Harry Truman attracted some criticism during his years in office. But the criticisms are now forgotten and even though he has been out of office only 20 years, his place in history as one of our greatest Presidents is assured.

Certainly I want to extend my deepest sympathies to Mrs. Bess Truman and daughter Margaret and other members of the family in their loss and bereavement.

Mr. ANNUNZIO. Mr. Speaker, our Nation is now in a period of mourning for the passing of a great man, Harry Truman, 33d President of the United States.

I was privileged to have the opportunity during the historic election campaign of 1948 to be the regional director of the Truman campaign in the States of Illinois, Indiana, and Wisconsin for the United Steelworkers of America. In 1948, I had the pleasure of meeting with President Truman in the Blackstone Hotel in Chicago where we discussed the various phases of his campaign affecting the midwest section of our country.

I was also the labor chairman of one of the greatest labor parades held in the history of our country for any presiden-

tial candidate. The parade assembled on Michigan Avenue and proceeded down Madison Street where 1 million people cheered this great and humble man who symbolized to them such human qualities as honesty and integrity, for Mr. Truman did not indulge in the kind of political rhetoric that spells out demagogue. He was blessed with humility, compassion and understanding of the common man because he was one of them. People were inspired by his leadership because they knew instinctly that he gave of himself.

The Truman style of leadership was a style of tough compassion in those crucial post-war years. It took toughness to stand up to the challenges of that era and deal decisively with the various economic and military threats poised by the Nation's antagonists. Yet, through it all, President Truman was also able to establish the Nation he loved as a model of compassion—a model of selfless concern the likes of which the world had never seen.

President Truman will never be forgotten by Americans or by people around the world. His personal example of integrity in the face of difficulties and detractors will endure as an inspiration to all of us who must carry on. He did his best and that is all any of us can ask of our fellow human beings or of ourselves.

Mrs. Annunzio and I extend our deepest sympathy to President Truman's devoted wife, Bess, and daughter, Margaret. We are proud to have been associated with this great man.

**Mr. ZABLOCKI.** Mr. Speaker, I am proud to join my colleagues in paying tribute to the late President Harry S Truman. As President Truman was the first President under whom I had the privilege to serve as a Member of the House of Representatives, I feel a special sense of loss at his passing.

While he was President, Mr. Truman was called upon to make some of the most difficult decisions ever required of a President, and for his courageous and firm convictions he has rightly been called one of our Nation's truly great Presidents.

What is equally important is that while Mr. Truman was a great President of and for the people of this Nation, he was essentially a humble man who saw his first duty to his wife and daughter. His retirement years were quietly spent with his wife in Independence, at the same time he continued his contributions of public service through the Truman Library. The sad news of his passing grieved his friends and acquaintances. The world's great leaders remembered him and sent tributes to his widow. Although they all would have been privileged to pay their respects in person, typical of his life, President Truman requested a simple service. Only close friends and neighbors were honored to be participants in the funeral rites, although thousands throughout the Nation were in attendance in spirit, paying homage to a great humanitarian leader.

Mr. Truman will be remembered for his contribution to the welfare of his fellowman, his firm determination to prevent aggression and oppression. Most of all, he will be remembered for his sin-

cerity, honesty, humility, and devotion to his friends and countrymen.

President Truman never forgot his friends or a favor—although he forgave his adversaries, he apparently never forgot their deeds.

My wife Blanche joins me in expressing deep sympathy to Mrs. Truman, her daughter, Mrs. Daniel and to all of the Truman family. We hope they derive consolation from the knowledge that his loss is shared by his many friends.

**Mr. GONZALEZ.** Mr. Speaker, if there is any one word to describe Harry S Truman, that word is "courage."

Harry S Truman probably never thought of himself as a great man. If we are to believe his own words, he never wanted to be Vice President, let alone President. He did want to be a Senator, and accepted higher office only on the insistence of President Roosevelt. We are fortunate that Roosevelt made this choice, and even more fortunate that Truman accepted Roosevelt's invitation to become Vice President. For if Truman never thought himself a great man, his stature has surely grown in our eyes, and it is plain that the 33d President of the United States was among the very great ones.

Truman never accomplished all he set out to do—but most of the ideas he espoused have since been adopted, and it is to his great credit that he advanced proposals that were bold enough to encompass the real needs of this Nation—even though there were not enough people of courage here on the Hill to make those ideas into law. Truman's failures were only temporary; his successes were on the other hand hardly temporary at all, but lasting victories for us, for humanity, for the causes of right and justice.

Truman understood the nature of his job—to make hard decisions. He never shrank from that. He did not equivocate and he did not hide. He did not resist a fight, and did not attempt to hide hard truths in glittering language. He did not want to change his image, but only to be himself. It did not matter to him that he would be criticized as uncouth or unstylish, because that did not make any difference to the job he wanted to do.

Who can imagine the shock that Truman must have felt when he was told on April 12, 1945, that he was President? He had only been Vice President for 3 months. The war was raging toward its conclusion; he knew little about the great and secret issues of the time; he had had no time to learn, and less opportunity. But beginning at that moment, he had to make decisions affecting all mankind, possibly for generations to come. Truman did not shrink from it. He did what he had to do—and most of it turned out to be right.

It was up to Truman to make the terrible decision on whether to use the atomic bomb against Japan. Such a decision no man should have to make, but he decided, and never looked back. We may now disagree, but we never had the responsibility, and can never know exactly what Truman's reasons were—only that he thought he had taken the best available course of action to end the

bitterest and most costly struggle in history.

Having ended the war, Truman carried on bravely the efforts to construct a lasting and universal peace. It was he who got the United Nations charter approved, and he who appointed Roosevelt's widow to represent the United States in the organization—perhaps our most effective representative ever.

It was Truman who decided that the development of atomic energy should take place under civilian auspices, and who successfully sponsored the creation of the Atomic Energy Commission for that purpose. This decision made it possible for us to begin at the earliest possible date a program to make atomic energy more than a tool of war, but a source of power for peace.

It was Truman who saw and met the danger of Communist expansion in Greece and Turkey, and who created a doctrine to meet and resist that danger—successfully. From that came the Marshall plan, which Truman supported and fought for, and which made possible the postwar reconstruction of Europe. Later, this same program gave birth to the World Bank and its affiliates, which today include 116 or more member nations, and which provides billions in loans for development programs. More than any other action, these programs made it possible for the world to regain the lost productivity and prosperity destroyed by the world war; these programs enabled our postwar generation to avoid the bitter depression, and the war-seeding frustrations that followed World War I.

But Truman was not only a great decisionmaker in the foreign field.

Truman proposed what he called the Fair Deal—plain language for a plain purpose. Not much of this program became law, not because it was wrong, but because Congress was hostile to him and his program. Years later, virtually every part of the Fair Deal became law—though it then was called the New Frontier and the Great Society. Truman wanted universal, compulsory medical insurance. He never got it. More than a dozen years after he retired, Congress approved medicare. This program aroused the most bitter and fanatic kind of opposition—but after its enactment, no one questioned its wisdom or the need for it. Truman had been right.

It was Truman who desegregated the military services and went as far as he could to get fair employment practices required in defense contracts. But it was years later before he saw the poll tax outlawed, saw the courts strike down legalized segregation, and saw Congress enact laws requiring desegregation of public facilities, all goals he had set in early 1948.

Truman raised the minimum wage, expanded its coverage, strengthened the social security program, worked for an adequate housing program, bitterly fought against programs he saw as being against the public interest, and stood firm for what he saw as the right—and always with plain and straightforward talk.

Truman won the most remarkable election contest in history, in 1948. All of us then, and all of us now, admire the

courage and resolution he showed in running a hard contest at a time when everybody said he would lose, and when he could not raise enough money to carry on a decent campaign. Truman's famous train would be stalled in one place or another, because he could not raise the money to pay for moving it further; but somehow he carried on. He could not raise adequate money for radio time, and more than once was cut off the air for failure to pay. But he fought on, and he won. Those who wondered at his courage did not know that in 1940 President Roosevelt had asked Truman not to run for reelection to the Senate, but Truman insisted anyway. It was a formidable decision—the kind of decision that showed the strength of the man who later carried off his miracle of 1948.

Truman's enemies were on top of the world by 1951. They had Communists to hunt—mostly phantoms. They roared about corruption. They decried the tragedy of Korea. But time passed those men by—McCarthy died a disgrace, corruption under Truman was nothing like it later was under the administrations of his severest critics and stanchest enemies; and Korea ended in a stalemate that to this day requires U.S. troops and lives to maintain—more men than we have even in Vietnam. And where an obscure man named Nixon could attack Truman on Korea, that same man today has a much greater tragedy in Vietnam, but where Truman spelled out the situation honestly, today we meet only silence from a mostly empty White House.

Truman was a simple man. He did not want to put up a fence around his house. He did not want to discourage people from knowing him. He did not want empty honor.

Most of all, Truman was an honest man. He did his best, never shirked, and never looked back. He had no image makers, wanted none, and needed none. He knew what his job was, and he did it. A simple, honest, brave man. Harry S. Truman. We were lucky to have him serve this great country, and I am sorry to see him gone.

**MR. CHAMBERLAIN.** Mr. Speaker, in reflecting on the service of former President Harry S Truman to our country I want to call the attention of my colleagues to two editorials appearing in the *Citizen Patriot* of Jackson, Mich., December 17, 1972, and December 27, 1972. The first one is entitled "Harry S Truman Improved World" and the second, "A Bit of History Lost in HST's Death". They both call attention to the fact that President Truman was a man who did what had to be done.

The editorials follow:

[From the Jackson (Mich.) *Citizen Patriot*, Dec. 17, 1972]

#### HARRY S TRUMAN IMPROVED WORLD

The life and times of Harry S Truman are Horatio Alger carried to heights that make the author pale in comparison:

A Missouri farm boy who ascended to the presidency of the world's most powerful nation;

A politician schooled and aided by a corrupt political machine who forced his detractors to admit he had outgrown that influence;

A man who ordered the first use of the atomic bomb, but who also pioneered in the civil rights movement;

A statesman who engaged in international politics as Bobby Fischer handles chess, who blocked the advance of communism around the world with bold moves;

A commander-in-chief who, when challenged by one of the nation's most popular generals, summarily fired him for refusing to carry out orders;

A compassionate leader of a victorious nation who implemented the Marshall Plan for rebuilding devastated Europe;

The list is tremendously long, including such things as the Truman Doctrine, the North Atlantic Treaty, Point Four program for underdeveloped nations, to add but a few.

Yet two things stand out formidably in President Truman's journey through life: courage and humbleness.

He proved he had the courage to do what he felt needed doing, often in the face of challenge that would make other, more ordinary mortals pale.

As inheritor of the presidency when Franklin Delano Roosevelt died on April 12, 1945, Truman also inherited World War II and the climactic work of the Manhattan Project which culminated in the first successful explosion of an atomic bomb on July 16 of the same year.

Truman accepted control of the awesome device and used it to end the war in the Pacific within weeks. That momentous decision which ushered in the age of atomic jitters, was closely followed by approval of plans to move ahead with the more formidable hydrogen bomb.

In a manner of speaking he set the tone of international politics for decades, and the name of the game became raw power.

Then he turned his talents to peaceful goals and led the nation to new heights in helping others, not just other nations, but people.

He implemented the civil rights talk of Roosevelt, both with legislation pressed through Congress and by example in his executive orders and appointments.

Thus a man, at times derisively referred to as a "Missouri cracker," again proved his humanity, leadership and courage.

When he finally retired from office, President Truman set about proving he also had a sense of history, establishing the \$1,750,000 Harry S Truman Library with private contributions paying the cost.

In it is displayed a tremendous array of material relating to the war years and his presidency. It was his stated wish at the time that the library should be a repository for both scholars and the general public, and to help it come true, he worked there daily from 1952 until 1966. Today the repository is valued at \$21 million and is open to the public as well as scholars.

He also established a little-known activity called the Truman Institute, which provides grants-in-aid to students, again demonstrating his consuming interest in people.

His years in office were often marked with controversy, but he thrived on it. He made no bones about liking a drink and a hand of poker, and often entertained visitors by playing the piano.

Unpredictability and an outspokenness that often startled people were trademarks, as were the "press conferences" held as he strode on his long walks until arthritis slowed him down.

Harry S Truman became a legend in his own time, a man of small stature who nonetheless will always be regarded as a giant.

Cast for a time in the legendary role of Atlas, he responded to the demands of history-in-the-making in the best tradition of a Horatio Alger hero, and then improved the model.

It can truly be said that the world is a better place because Harry S Truman chose to leave the Missouri farm of his parents and enter the world of statesmanship.

[From the Jackson (Mich.) *Citizen Patriot*, Dec. 27, 1972]

#### A BIT OF HISTORY LOST IN HST'S DEATH

Harry S Truman's political friends and foes agree that America lost a bit of its history in the death yesterday of the 33rd president of the United States.

A colorful but humble man who left his Missouri farm home to enter politics, Mr. Truman had the responsibility of the White House thrust on him overnight with the death of President Franklin D. Roosevelt on April 12, 1945. The fiery man from Independence was pushed onto the stage of world statesmanship at a time when America, at the time the mightiest nation in the world, needed his courage and fearless leadership to guide it through a critical period of world history.

His great and difficult decisions always were made in the interest of the United States and its place in the community of world nations. And his actions and his policies laid the foundation for world peace.

As was noted in this column on December 17 when Mr. Truman was tenaciously struggling for life, he "had the courage to do what he felt needed doing, often in the face of challenge that would make other, more ordinary mortals pale."

His career in the White House was marked by unprecedented decisions—the atomic bombing of Japan, the Marshall Plan, the Berlin blockade airlift, the go-head for the development of the hydrogen bomb—and many more.

His most difficult decision? The dispatch of U.S. troops to Korea in a "police action" that kept Communist troops from advancing past the 38th parallel.

Harry Truman was the last of the great leaders of World War II—Stalin, Churchill, deGaulle, MacArthur and Eisenhower—all of whom preceded him in death.

World leaders in paying tribute to this typical and extraordinary American, mentioned his lack of fear. This was Mr. Truman's greatest quality as a president and world leader. His disdain of fear contributed to the building of a proud America. Regrettably, it is a trait that seems to be fading from our society.

The free world grieves the passing of the fiery Man from Independence, but it regards him as a man whose life was complete. He made it that way.

Mr. Truman's courage, decisiveness, integrity and judgment secure his place in history. He was a man who "did what had to be done."

Mr. Speaker, as we pay tribute to former President Harry S Truman, I would like to take this opportunity to call attention to an editorial in The State Journal of Lansing, Mich., of December 29, 1972, entitled "Truman Won Place in History." This particularly emphasizes the fact that President Truman was a man destined by fate to become Chief Executive of the most powerful Nation in the world at one of its most crucial periods in history. The editorial points out that he moved swiftly to marshal national unity as World War II drew to its conclusion. I commend this editorial to the attention of my colleagues.

#### TRUMAN WON PLACE IN HISTORY

Former President Harry S Truman was a man destined by fate to become chief executive of the most powerful nation in the

world at one of its most crucial periods in history.

The burden that fell on his shoulders in April of 1945 was greater than that faced by any president in this century. He went on to become one of the most respected world leaders of our times. Now he is dead at age 88, and the nation mourns a truly outstanding American.

Mr. Truman stepped into the shoes of Franklin D. Roosevelt at a time when a whole generation had grown up never having known or remembered a previous president. There were many wisecracks about "whatshisname" in the White House and real concern about how he would do.

From his very first day in office Mr. Truman demonstrated that he was a leader and not just a little-known man from Missouri who would be overwhelmed in the great Washington mansion on Pennsylvania Ave.

He moved swiftly to marshal national unity as World War II drew to its fiery conclusion. At the Potsdam Conference, following the end of the war in Europe, he put Soviet leaders on quick and blunt notice that he was no political novice.

The President made it clear to Joseph Stalin that he would not tolerate any Communist military ventures or expansion ambitions. He backed it all up with the Marshall Plan and a head-on confrontation in the Berlin Blockade.

When North Korean Communist armies, goaded by Stalin, invaded South Korea in 1950, President Truman startled the Communist world when he ordered immediate retaliation by U.S. armed forces. Stalin never tested Mr. Truman's willpower again.

Mr. Truman was also a man who believed that his title of Commander in Chief of the armed forces meant exactly that. He risked political disaster by dismissing the revered and powerful Gen. Douglas MacArthur from his command in a feud over Korean War policy—and he made it stick.

In his campaign for re-election in 1948 Harry Truman was labeled a sure loser. Characteristically, he charged out on the campaign trail to tell his story to the people. Everybody knows the results.

President Truman is remembered more than anything else for his down-to-earth, blunt confrontation with the people and issues he faced. He tackled the mighty and joked with people on the streets, and provided the best description of his own job and philosophy when he said, "the buck stops here!"

Harry Truman made that remark the trademark of his career. Millions of Americans and other people the world over mourn him. History will not forget him.

**Mr. NICHOLS.** Mr. Speaker, the flags in our Nation remain at half-staff today as we continue to mourn the death of Harry S Truman, the 33d President of the United States.

It is extremely difficult, if not impossible, for us to evaluate the Presidency of Harry Truman; that will be up to the historians of tomorrow. But during that period from 1945 to 1952 when he served his country in that high office, Harry Truman gave our war-weary Nation a leader—a plain but outspoken man that almost every citizen of this country could identify with.

Mr. Speaker, in recent days, we have read many tributes to President Truman. One of the finest I have read was written by Charles Greer, the editor and publisher of the Sylacauga, Ala., News. I would like to submit Mr. Greer's editorial for my colleagues reading and evaluation:

#### THE NATION MOURNS

"When President Roosevelt died, I thought there must be a million men better qualified than I to take up the presidential task, but the work was mine to do and I had to do it and I tried to give it everything that is in me."—Harry S Truman.

So spoke the man who was destined to become the 33rd President of the United States, and who history will prove to have been one of the most qualified and consequential presidents chronicled.

He is dead now, this incorruptible man who was only the tenth vice-president of our country to be elevated to the position of president. And during the almost eight full years from 1945 to 1953 his actions changed the face of history.

The rise of Harry Truman from farm boy to President of the United States is a tribute to the country which he served with such fervor and dedication. Armed with only a high school education (he failed to enter West Point because of poor eyesight), he worked as a time-keeper for a railroad, wrapped papers for the Kansas City Star, clerked in a bank and finally worked the family farm in Missouri after his father's death.

World War I saw this young man rise to the rank of artillery captain because of outstanding leadership under the stress of battle. Then after this war, in partnership with a fellow veteran, he again showed his abilities by completely paying off debts incurred by business failure at the age of 37—though it took some ten years to pay off a \$20,000 debt.

It was then that Harry Truman turned to "Big Tom" Pendergast and his powerful Missouri political machine. Impressed with his background, the 'machine' backed Truman from county judge to presiding judge and finally United States Senator.

It is interesting to note that during his tenure as judge, Harry Truman attended law school that he might be more qualified for this position and also, the fact he was never involved in a political scandal—even when Boss Pendergast was sent to the penitentiary. He was, in fact reelected to the Senate as the famous political machine was toppling.

Harry Truman first gained national attention when, as chairman of the now famous Truman Committee he saved the country literally billions of dollars with his committee's investigation of the National Defense Program.

Then, in 1944, when it was generally conceded by the well informed that Franklin Roosevelt might not live out a fourth term in the office of president, his nomination (on the second ballot) to the vice-presidency was tantamount to that of the presidency. It was the first result of the national prominence he had attained through his investigating committee.

Though it was only some 83 days later that he was to become President of these United States, in that short span of time he proved as vice president, his ability as presiding officer over the Senate. He even voted (breaking the tie) to continue lend-lease aid to America's allies.

Now, in fact President, he was totally unprepared for the post. The war in Europe was ending and he had little (if any) knowledge of the late president's agreements at Yalta. Yet he must go to Potsdam and attend a conference that ended with an agreement among allies that Japan must submit to unconditional surrender.

Indeed it did. But only after President Truman made the momentous decision to drop the atomic bomb (which he only learned about after Roosevelt's death) first on Hiroshima and then Nagasaki.

It was following these war years that "give 'em hell Harry" became the man of the

hour—the man who destiny called to reshape in part the world. The Truman Doctrine, which called for United States resistance to international aggression wherever it appeared was born. It guaranteed U.S. intervention against the more insidious forms of Communist attack—propaganda, infiltration and sabotage. And it came at a time when Great Britain had reached the point it could no longer be the prime defender against the Soviet aggressor in the Near East.

Next came the Marshall Plan, probably the most noteworthy of the late president's accomplishments. For the formula of this plan called for the economic recovery (at the cost of billions of dollars to the United States) of all war-injured nations. Accepted by 16 nations (excluding the Communist bloc), it worked.

His administration also helped draft the North Atlantic Treaty Organization, (NATO) lent its support to Latin America, called for the unification of the armed forces and created the Department of Defense. His defeat of the Berlin Blockade through the use of the U.S. Air Force airlift was phenomenal as the entire world watched the Soviet Union finally back down in its efforts to close off the German city.

Of course Mr. Truman suffered setbacks. He witnessed the collapse of the Chinese Nationalist Government and the escape of Chiang Kai Shek to Formosa. And his own popularity waned with the firing of General Douglas MacArthur over disagreement between the two men on how best to wage the Korean War. Yet through all of this, the sign on his desk remained—"The buck stops here."

Harry Truman wanted to be elected President of these United States on his own—and he was. True he received the nomination by his party at his own insistence, but he won—when every available poll said it was impossible. And though he was not invincible, he did have some fun as he mimicked his severest critic H. V. Kaltenborn, who when radio was in its heyday, predicted Truman's defeat right up to the finish.

And the president was reelected against overwhelming odds because he threw away the scripts—toured the country making speeches at railroad stations and meetings in the only language he knew, homespun language. When he said, "the next four years there will be a Democrat in the White House and you're looking at him," he meant it . . . sure did.

Many, many of Harry Truman's sayings have been quoted over the years, but one that will stay with us the longest, and one that symbolizes the man as far as we are concerned is: "If you can't stand the heat, stay out of the kitchen." Harry Truman could stand the heat. And the country is better off for having him pass our way.

**Mr. DORN.** Mr. Speaker, we first came to the Congress during the administration of President Truman; we knew him and served under him. He was the embodiment of some of our Nation's highest traditions. He came from a family of pioneers who had moved to Missouri from Kentucky, and he always represented the hopes and ideals of the American Heartland. Harry Truman knew what it was like to plow the fields, and he possessed in full measure the traditional rural American virtues of self reliance, honesty, dependability and self respect.

Mr. Speaker, one cannot make a decision about the future unless he knows the past. Like Washington and Lincoln, what Truman may have lacked in formal higher education was more than made up

by his self-education in the university of hard work and experience. Truman had a strong sense of American history and he studied it all his life. He read a great deal, and mastered the story of man down through the corridors of time.

His two great heroes were Andrew Jackson and Robert E. Lee, and it has rightly been said that he combined the qualities of both of them. It was his commonsense grasp of history and current events that enabled him immediately to take control of the situation when the Presidency was thrust upon him.

He barely knew where our armies were when he took office, yet in spite of these very difficult circumstances he became one of our greatest Presidents. Truman had been Vice President for only 83 days when President Roosevelt died, and had not been completely briefed on many crucial developments, including the development of the atomic bomb. Once in office, he took command. His actions were momentous and historic, including crushing Japanese resistance and countering Communist aggression in Europe through the Marshall plan, aid to Greece and Turkey and the Berlin airlift. His decisions were characteristic of a man who understood history and human nature and who knew when it was the time to act. He had a grasp of what the various agencies of government were doing that few other Presidents have possessed.

Harry Truman was a master politician. The rough and tumble of Missouri politics had equipped and trained him to handle the Nation's most demanding position. He understood that politics is basically shoe leather, hard work, and handshakes.

No combination of slick public relations and barrels of money could prevent him from successfully taking his case to the people. Through hard work and shoe leather, he won the most astounding upset in American history.

He fought hard in a partisan way, but once in office he put the country first and cooperated fully with the other party. Truman entered public life relatively late in life, after distinguished World War I service in Europe. Because of his reputation for honesty and reliability he was endorsed by the Kansas City political organization, which needed a man of unquestioned integrity to lead the ticket. In his entry into politics he was strongly supported by the men of his World War I local regiment. His word was his bond. It was characteristic of Harry Truman that after an earlier business reverse he had refused to claim bankruptcy, but insisted on paying all his debts, even though it took him years to do so.

President Truman was one of the great men of our time. He was dedicated to the presidency. He exalted the office, and would do nothing that would demean it. He zealously guarded the prerogatives of the Chief Executive's office.

His honesty and integrity, sense of history, and the traditional virtues of rural America never left Harry Truman. He did his duty to the Nation and while President made some of the most far-reaching and momentous decisions ever made affecting the Nation's future. History will rank Harry S Truman among the great Presidents of all time.

To Mrs. Truman, who has been by his side through the years of public service, and to Mrs. Margaret Truman Daniel, we extend our deepest respect.

Mr. KLUCZYNSKI. Mr. Speaker, the passing of Harry S Truman, 33d President of the United States, is an occurrence saddening to everyone familiar with the extraordinary political career of that most remarkable man.

It is no exaggeration to say that Harry Truman earned for himself a place among the elite guard of our presidential greats. In every area he was knowledgeable; in every act he was swift and sure. No more can be asked of a President of the United States, except victory—and Harry Truman provided victory, as well.

Moreover, Harry Truman was capable of learning, in the midst of political turmoil. Elevated to the Presidency in the final stages of World War II, he took to the job in the manner of a man who had been preparing for the experience all his life.

Never before a diplomat, he joined in inaugurating the United Nations, with notable success; never before in a position to implement his reform ideas on a grand scale, he quickly assumed leadership of several major reform movements; never before a farmer, in the literal sense, he took on the task of sustaining wartime agricultural prosperity in the postwar world, and confronted for the first time by the tidal wave of world communism, he met the challenge in the manner of a champion.

No person with interest either in domestic or foreign affairs can easily forget the work of Harry Truman, with respect to the rescue of postwar Western Europe. In no time at all, following the war, Poland went Communist; then Rumania, Czechoslovakia, Albania, Latvia, Estonia—meanwhile, the Communists were also winning votes in France and Italy, while England, crippled by the rigors of war, stood by helplessly, unable to intervene.

At this point, President Truman, with the guidance of George C. Marshall and the heartfelt support of the American people, came forward with the famed Marshall plan. This was enough to close the floodgates in the face of the Communist wave and sustain the cause of democracy in the West.

Starving Europe became the recipient of American food and other goods; the French and German economies revived; also those of Italy, the low countries, and Scandinavia. In short time, communism was checked and held fast. Never before was so monumental a victory, affecting the entire world, attributable to the iron will of one leader and the immediate response to one community. The leader, of course, was Harry S Truman; the community: the great mass of the American people. They made a great and mighty team of which America could well be proud.

I take this occasion to express my admiration for the late Harry S Truman, one of the outstanding Presidents of our national career.

Mr. BENNETT. Mr. Speaker, our country and the future of mankind were greatly assisted by the excellent leader-

ship of the late and much beloved President Harry S Truman.

It was my good fortune to know our late President well. I came to Congress at the time when he was inaugurated in 1949. While he was President, and afterward, we frequently corresponded and met together in the friendly and vigorous exchange for which he was so famous. This will always be a thing for which I will be grateful to him. I join my colleagues here today in sending our deepest sympathy to his beloved wife and daughter and others of their family.

Mr. O'NEILL. Mr. Speaker, I join my colleagues today in rising to pay tribute to a distinguished President and an outstanding American, Harry S Truman.

One of the most conscientious and dynamic Presidents, Harry S Truman exhibited a pugnacious spirit that not only characterized his tenure in the White House, but indeed, exemplified his whole life. As a young Senator from Missouri, as Vice President, and later as President, Harry Truman consistently fought for the ideals which this Nation holds dear.

To chronicle all his important achievements as President would still not do him the honor and justice he deserves. Harry Truman had to assume the mantle of the Presidency during one of the difficult periods in our Nation's history. The United States was in the middle of the most devastating and horrifying wars of all time. Yet, President Truman always kept the interests of our Nation uppermost in mind when he sat down with other eminent leaders of his day at Potsdam or when he made that difficult decision to drop the atom bomb. His personal courage and integrity in fulfilling the duties of the great Office of President are unparalleled.

The Truman doctrine, which bears his name, served to inform our allies all over the world that America would stand by them in defense of freedom and self-determination, and made emphatically clear to our enemies that the United States would never tolerate the unwarranted and insidious spread of communism. The Marshall plan of economic assistance to rebuild an impoverished Europe following the holocaust of World War II was inaugurated during his administration and enabled the nations of Europe to live in dignity and peaceful coexistence.

To those of us in this chamber who knew and admired him, Harry S Truman, the 33d President of the United States, will continue to be remembered as the beloved President he was, and as an American who represented the values of courage and decency by which he lived, both in his family and public life.

We all mourn the passing of this great leader, and Mrs. O'Neill joins me in expressing heartfelt sympathy to members of the late President Harry S Truman's family.

Mr. FLOWERS. Mr. Speaker, today we in the House of Representatives pay tribute to a man whom history is destined to record as one of the truly courageous Americans of all time, our late President Harry S Truman.

President Truman will be remembered

as the champion of the underdog and the downtrodden. His place in history is assured by the momentous and often difficult decisions he had to make during his administration. But, perhaps he will best be remembered for his fighting spirit. For in this attribute, which he possessed so fully, he was probably of all of our Presidents the most exemplary of the great American people that he led. In this great trait of his individual character, we could all find identity of national purpose so needed at the particular time.

A short time after he was sworn in following the death of President Roosevelt, he gave this insight into the Presidency:

Within the first few months I discovered that being a President is like riding a tiger. A man has to keep on riding or be swallowed.

President Truman definitely was not swallowed by the job. He rode whatever tiger came along.

Thanks be to God that such a man was there to succeed to the job when fate called upon him to do so. Let us hope and pray that our country will continue to produce men like Harry Truman to lead us in future times of crisis.

#### GENERAL LEAVE

Mr. RANDALL. Mr. Speaker, I also ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of our former President, Mr. Harry S Truman.

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

There was no objection.

#### THE \$9 BILLION "QUICK YIELD" TAX REFORM BILL TO EASE FISCAL 1974 BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, I introduce for appropriate reference H.R. 967, which would raise \$9 billion annually in additional revenues by closing eight tax loopholes. This "quick yield" tax reform package is sponsored by the following list of 55 Members:

##### LIST OF SPONSORS

Les Aspin of Wisconsin.  
Herman Badillo of New York.  
Bob Bergland of Minnesota.  
Jonathan B. Bingham of New York.  
John Brademas of Indiana.  
Charles J. Carney of Ohio.  
Shirley Chisholm of New York.  
John Conyers, Jr. of Michigan.  
Charles Diggs, Jr. of Michigan.  
John D. Dingell, of Michigan.  
Robert F. Drinan of Massachusetts.  
Thaddeus J. Dulski of New York.  
Bob Eckhardt of Texas.  
Don Edwards of California.  
Joshua Elberg of Pennsylvania.  
Walter E. Fauntroy of the District of Columbia.  
Daniel J. Flood of Pennsylvania.  
William D. Ford of Michigan.  
Michael Harrington of Massachusetts.  
Ken Hechler of West Virginia.  
Floyd V. Hicks of Washington.  
Robert W. Kastenmeier of Wisconsin.

Edward I. Koch of New York.  
Peter N. Kyros of Maine.  
William Lehman of Florida.  
Clarence D. Long of Maryland.  
Ray Madden of Indiana.  
Lloyd Meeds of Washington.  
Patsy T. Mink of Hawaii.  
Parren J. Mitchell of Maryland.  
John J. Moakley of Massachusetts.  
William S. Moorhead of Pennsylvania.  
John E. Moss of California.  
Lucien N. Nedzi of Michigan.  
Robert N. C. Nix of Pennsylvania.  
David R. Obey of Wisconsin.  
Bertram L. Podell of New York.  
Melvin Price of Illinois.  
Thomas M. Rees of California.  
Henry S. Reuss of Wisconsin.  
Peter W. Rodino, Jr. of New Jersey.  
Benjamin S. Rosenthal of New York.  
Edward R. Roybal of California.  
Paul S. Sarbanes of Maryland.  
John F. Seiberling of Ohio.  
James V. Stanton of Ohio.  
Fortney H. Stark of California.  
Louis Stokes of Ohio.  
Gerry E. Studds of Massachusetts.  
James W. Symington of Missouri.  
Robert O. Tiernan of Rhode Island.  
Jerome R. Waldie of California.  
Charles H. Wilson of California.  
Gus Yatron of Pennsylvania.  
Clement J. Zablocki of Wisconsin.

There are two reasons for introducing H.R. 967 early in the session.

First, we need the revenue in fiscal 1974. In 3 weeks, the President will send his 1974 budget to Congress. While the budget will no doubt be made to balance on a "full employment" basis, with a probable spending request of \$270 billion and receipts unlikely to exceed \$250 billion, the unified budget deficit will be around \$20 billion. This deficit comes on top of 3 years with annual deficits in the neighborhood of \$25 billion, and bears out projections by the Brookings Institution and the American Enterprise Institute that the unified Federal budget is unlikely to balance before 1977, if then.

President Nixon says that expenditures must be cut in order to avoid inflation, on the one hand, or a general tax increase, on the other.

But there is another solution. Rather than cut deeply into our social services programs—as Mr. Nixon proposes to do—we could avoid inflation by plugging the tax loopholes which permit wealthy individuals and large corporations to shift part of their fair share of the costs of Government to low- and middle-income taxpayers. H.R. 967 could raise \$9 billion in fiscal 1974 by repealing or reducing eight tax preferences. These additional revenues could help maintain a more adequate level of social spending and—above all—prevent a general tax increase in the near future, without endangering the "full employment" budget balance.

Second, a sound budget process demands that we examine tax expenditures at the same time we plan appropriations. Tax preferences are just as expensive as direct grants; they should be scrutinized at the same time and just as carefully as appropriations. Should corporations be given tax breaks of \$5 to \$6 billion to carry on business as usual, while the President halves the funds authorized for water pollution control? Should the Treasury lose \$100 million a year giving rich people a special discount rate on the first \$50,000 of capital gains while funds

for education are cut by 10 percent—as the President announced in December? Should we continue to dismiss tax loopholes—oil depletion, stock options, and so forth—with a 4 percent effective minimum tax while manpower programs are slashed? Early consideration of H.R. 967 will force Congress to make these trade-offs deliberately.

H.R. 967 is not a comprehensive tax reform bill. It contains only provisions which have been considered recently by Congress and hence can be acted on without delay. The "quick-yield" bill makes the following reforms:

First. Tightens capital gains taxes: Repeals the 25 percent alternate rate on the first \$50,000 of capital gains, increases the corporate capital gains rate from 30 to 35 percent, and extends the capital gains holding period from 6 to 12 months.

Second. Taxes capital gains transferred at death or by gift.

Third. Repeals the accelerated asset depreciation range system.

Fourth. Provides Federal subsidies for interest on optional taxable State and local bonds.

Fifth. Taxes foreign income of U.S. corporations on a current basis instead of permitting deferral of tax until the income is repatriated.

Sixth. Tightens taxes on income from oil and gas wells: Reduces percentage depletion from 22 to 15 percent, and requires capitalization of intangible drilling and development costs.

Seventh. Reduces the amount of farm losses which may be written off against nonfarm income.

Eighth. Tightens the minimum tax on preference income: Raises the nominal rate from 10 to 20 percent, lowers the income exemption from \$30,000 to \$12,000, and abolishes the deduction for other Federal taxes paid on regular income.

All together, these provisions would increase the tax burden about equally on individuals and corporations. The provisions affecting individuals would raise more revenue—both as a dollar total and on a per capita basis—from taxpayers—or nontaxpayers—with adjusted gross income of \$100,000 and up than from any other bracket.

##### SECTION-BY-SECTION ANALYSIS OF H.R. 967

###### TITLE I—CAPITAL GAINS OF INDIVIDUALS AND CORPORATIONS ANNUAL REVENUE GAIN: \$700 MILLION

When real estate, shares of stock, and other forms of property increase in value, the increase is subject to tax as a capital gain. However, the capital gains tax rate on "long-term" gains is only half that for ordinary income in the case of individuals and five-eighths that for ordinary income in the case of corporations.

This title would make three changes in the tax treatment of capital gains:

First. The code provides the option of paying a maximum of 25 percent on the first \$50,000 of capital gains. This option benefits taxpayers in brackets with marginal rates of 51 percent and over—according to Treasury statistics, individuals with adjusted gross incomes of over \$100,000—who would otherwise be paying capital gains rates of up to 35 percent.

The quick-yield bill closes this loophole by repealing the 25-percent option. The revenue gain from this one change is estimated at \$100 million a year.

Second. Corporations have a lower maximum capital gains tax rate than individuals: only 30 percent. In the past, capital gains for individuals and corporations have been subject, usually, to the same maximum tax.

This bill would reestablish parity between individuals and corporations by raising the maximum corporate capital gains rate to 35 percent. The revenue gain from this one change is estimated at \$300 million a year.

Third. Only "long-term" capital gains qualify for capital gains tax treatment. "Long-term" gains are presently defined as assets held for 6 months or more. In 1969, the House voted to extend the holding period to 12 months, on the grounds that 6 months is too short a period to distinguish speculation from genuine income-producing investment, but the provision was dropped in conference.

H.R. 967 lengthens the holding period to 12 months, with an estimated annual revenue gain.

**TITLE II—GAIN ON CERTAIN PROPERTY TRANSFERRED AT DEATH OR BY GIFT. ANNUAL REVENUE GAIN: \$2 BILLION**

Some capital gains—those on property transferred at death—are never taxed at all.

Here is how it works. Suppose a taxpayer bought some stock in a small electronics company for \$50,000 in 1962. The company has flourished and the stock is now worth \$150,000. If he sells it, he will have to pay a capital gains tax on the \$100,000 increase in value. If he is in the highest 70 percent tax bracket, this means a tax of \$30,000—25 percent of the first \$50,000—under current law—plus 35 percent of the second \$50,000.

If he gives the stock away, he pays no capital gains tax, but the recipient will have to pay a capital gains tax on the total gain when he sells the stock in his turn.

If the owner of the stock neither sells nor gives his stock but passes it on to his heirs, neither he nor his heirs will ever have to pay income tax on the increase in value. The heirs will have to pay capital gains taxes on any increase in the value of the stock beyond \$150,000 if they later sell it, but that is all.

The greatest beneficiaries of this loophole, obviously, are those with large amounts of accumulated wealth to pass on to the next generation.

The Treasury Department in December 1968, called for an end to this loophole, recommending that the increase in value of assets be taxed when they are transferred at death or by gift—see "Tax Reform Studies and Proposals", published in three volumes on February 5, 1969, by the House Ways and Means Committee and the Senate Finance Committee, pages 331-351.

The present system of not taxing appreciation on assets transferred at death, the Treasury said, "is grossly inequitable and substantially impairs the progressivity of the tax structure."

In addition, the Treasury estimated, it allows at least \$15 billion in capital

gains to fall completely outside the income tax system each year.

Furthermore, it has "undesirable economic effects, particularly in cases of older people":

"Assets become immobilized; investors become "locked in" by the prospect of avoiding income tax completely if they hold appreciated assets until death rather than selling them. This freezing of investment positions deprives the economy of the fruits of an unencumbered flow of capital toward areas of enterprise promising larger rewards."

In its August 2, 1969, Report on the 1969 Tax Reform Act, the House Ways and Means Committee said that "the time available" did not permit the inclusion of reform measures relating to the problem of the tax treatment of property passing at death. However, the report went on, the committee would "undertake to study" this problem as soon as possible, "with the expectation of reporting out a bill on this subject in this Congress."

More than 2½ years later, in an interview in the February 26, 1972, issue of Business Week, Ways and Means Committee Chairman WILBUR MILLS again singled out capital gains at death as one of the "problem areas" in the estate and gift tax system, and raised the question of "whether we should continue to let an individual give away everything he has at death and avoid taxes on any of it."

The time is overripe for action on this loophole. H.R. 967 treats property transferred at death as if the decedent had sold it at death. An income tax would be imposed on the capital gain and the tax would be treated as a debt of the decedent's estate. It would thus be deductible from the gross estate for estate tax purposes and would reduce the estate tax liability.

Small estates—those under \$60,000—would be exempted, and there would be additional exemptions for personal and household effects, transfers to a spouse, and to orphans. Small family businesses would be protected against undue hardship by a liberal extension of the time for payment.

In order to avoid giving an artificial incentive for lifetime gifts, the gain on appreciated property transferred by gift would also be taxed at the time of transfer.

**TITLE III—DEPRECIATION REVISION—ANNUAL REVENUE GAIN: \$3 BILLION**

The tax law allows businesses to deduct from their taxable income every year a "reasonable allowance" for the exhaustion, wear and tear, and obsolescence of property used in the business. Until 1971, Treasury rules required that these deductions for depreciation be spread over the actual useful life of the property. Businesses could not write off property for tax purposes faster than they were actually replacing it.

In 1971, however, the Treasury changed its rules to permit businesses to write off their plant and equipment 20 percent faster than before, whether the property was actually depreciating that fast or not. These larger deductions, of course, meant lower tax bills for businesses. Late

in 1971, Congress wrote this asset depreciation range—ADR—system of 20-percent depreciation speed-ups into law—Revenue Act of 1971, Public Law 92-178, December 10, 1971.

The ostensible reason for initiating the ADR system was to encourage businesses to invest in new plant and equipment. But in addition, the 1971 Revenue Act reinstated the 7 percent investment tax credit, which has the same purpose as ADR, so that retaining both provisions results in wasteful over-kill: a tax reduction for corporations totaling in many cases about 10 percent.

H.R. 967 would repeal ADR, thus going back to the pre-1971 depreciation system.

**TITLE IV—STATE AND LOCAL BONDS—ANNUAL REVENUE GAINS: \$150 MILLION**

The interest on State and local bonds has been tax-free ever since the original income tax law of 1913. As a matter of fact, taxpayers need not even report this income on their tax returns.

As a consequence, State and local bonds have been a favorite investment for the very rich and for corporations. Although the average taxpayer perceives no great advantage in buying tax-free municipal bonds paying 4 percent interest when he can get taxable corporate bonds paying 7 percent, tax-free interest begins to look better and better as a taxpayer's marginal tax bracket gets up around 42 percent.

This tax exemption does, however, have one important redeeming feature—it enables hard-pressed States and cities to raise money for schools, roads, sewage treatment plants, hospitals, and other essential public facilities at relatively low interest rates. Simply taxing the interest on municipal bonds, therefore, would force municipalities either to pay higher interest rates—which few of them could afford—or to forego badly needed public improvements.

Understandably, States and localities have strongly opposed taxing the interest on their bonds. H.R. 967 would not require that this interest be taxed. States and localities could continue to issue tax-free bonds, but they would be given the additional option of issuing taxable bonds and receiving from the Federal Government an interest subsidy to make up for the higher interest rate they would have to pay. This Federal subsidy could go as high as 40 percent of the total interest paid—the Secretary of the Treasury would determine the exact percentage at the beginning of each calendar quarter—and there would be no strings attached.

The Treasury would still come out ahead on the deal, since it now loses far more revenue by failing to tax the interest on municipal bonds than States and localities save in lower borrowing costs. An estimate cited by the House Ways and Means Committee in 1969 put the savings to States and localities at only \$1.3 billion a year, while the annual revenue loss to the Federal Government was estimated at \$1.8 billion. Other estimates of the disparity between interest saving and revenue loss have been even higher, approaching a ratio of 2 to 1. It is therefore reasonable to estimate a revenue gain of \$150 million a year from the proposal.

In addition to bringing in more revenue and closing off a loophole from which only a small number of wealthy investors can benefit, this provision would also make it easier for States and localities to market their bonds. Tax-free municipals must now be sold in a fairly limited market, consisting almost entirely of very wealthy individuals, banks, and other financial institutions. By making it possible for these bonds to be sold at higher federally subsidized, interest rates, H.R. 967 would make them attractive to a far wider spectrum of the investing public. With more buyers available, the market would not be as tight and there would be less upward pressure on municipal bond interest rates.

The House approved this provision in 1969, when it was part of the House version of the 1969 Tax Reform Act—H.R. 13270, sections 601 and 602. It was dropped in conference.

**TITLE V—FOREIGN CORPORATIONS—ANNUAL REVENUE GAIN: \$250 MILLION**

The income of foreign subsidiaries of U.S. corporations is not taxed by the United States until it is returned to the parent corporation or corporations in this country. This usually means that the tax on this income is deferred for many years, and in some cases the income may never be taxed at all.

In addition to costing the Treasury more than \$250 million a year in lost revenue, this provision gives U.S. corporations an artificial incentive to build plants abroad and export American jobs. A U.S. firm faced with a close decision on whether to build a plant in this country or abroad may well decide to build in a foreign country in order to get the tax deferral benefits of present law. The Federal Government is in effect giving them an interest-free loan if they invest abroad.

H.R. 967 would close this loophole by taxing this foreign subsidiary income on a current basis. Only "controlled" foreign corporations—those with more than half of their stock held by American corporations—would be covered. Each American corporation holding more than 10 percent of a controlled foreign corporation's stock would have to include in its U.S. tax return each year its pro rata share of the foreign corporation's earnings and profits for that year.

**TITLE VI—INCOME DERIVED FROM EXTRACTION OF OIL AND GAS—ANNUAL REVENUE GAIN: \$800 MILLION.**

The oil and gas companies—even more than other extractive industries—are blessed with two major tax breaks which permitted major oil companies to pay an average U.S. income tax in 1971 of only 6.7 percent.

The first break—percentage depletion—allows oil companies, oil investors, and oil land and royalty owners to write off 22 percent of their oil income each year. In theory, this deduction is compensation for the decreasing quantity of oil left in the well. But depletion can be claimed every year throughout the life of the well; thus total depletion is often deducted three or four times over. Oil depletion deductions are taken in addition to normal business deductions for depreciation of capital assets.

In 1969, the depletion allowance was reduced by Congress from 27½ percent to 22 percent. The provision should be repealed altogether. However, in order to prevent a possible price increase by the oil companies, H.R. 967 only lowers it to 15 percent, the depletion allowance currently allowed for gold, silver, copper, iron ore, and shale oil. As in the case of these metals and shale, percentage depletion for oil and gas income is limited by H.R. 967 to deposits within the United States.

The revenue gain from this one change is estimated at \$400 million annually.

A second and even more advantageous tax break is the current deduction for intangible drilling, exploration, and development costs. While tangible costs—acquisition of derricks, pipes, and so forth—must be capitalized and deducted gradually according to a depreciation schedule, intangible costs—salaries, rentals, fuel, and so forth—which may come to as much as 75 percent of total development cost, may be deducted at once. In theory, this provision postpones rather than waives the tax. But since the oilman promptly reinvests the income sheltered by the deduction into new oil enterprises, the tax is deferred indefinitely. And meanwhile, the Government is furnishing the oilman an interest-free loan.

H.R. 967 requires normal business accounting procedure—capitalization and gradual depreciation of the intangible costs involved in oil and gas exploration. The revenue gain from this one provision is estimated at between \$400 and \$800 million a year.

**TITLE VII—FARM LOSSES—ANNUAL REVENUE GAIN: \$100 MILLION**

Under current law, farmers are allowed to use more liberal accounting procedures than those used by businesses. First, farmers are allowed to deduct certain capital costs as a current expense and second, farmers may deduct operating costs as incurred, rather than use inventories in determining income and deductions.

These accounting procedures provide a generous tax shelter for wealthy people whose principal source of income is non-farm, but who maintain a farm, or part ownership in one, to manufacture losses which can be used to offset nonfarm income. The greatest tax benefits are derived from cattle breeding, nut and fruit groves, and vineyards.

Neither the excess farm losses reform nor the hobby losses limitation, both enacted in 1969, deal with the problem adequately. Treasury figures still show some \$100 million in taxes escaping annually through special farm accounting rules to taxpayers with adjusted gross incomes of \$50,000 and up.

H.R. 967 would do the following: If a taxpayer with both farm and nonfarm income opts to follow normal business accounting for his farm, he may write off as much of his excess farm losses against nonfarm income as he likes. If he chooses instead the farm accounting procedures, he may take the higher of \$15,000—reduced by every dollar of non-farm income in excess of \$15,000—or certain special deductions—taxes, mortgage

interest, natural catastrophes, certain recognized losses—and write off no more than that amount of farm losses against nonfarm income. Real farmers are protected by the \$15,000 allowance, while "tax farmers" are forced to choose between running the farm as a bona fide business enterprise and limiting the amount of sheltered nonfarm income.

**TITLE IV—MINIMUM TAX FOR TAX PREFERENCES—ANNUAL REVENUE GAIN: \$2 BILLION**

The 1969 Tax Reform Act contained a "minimum tax" provision which was intended to deal with the problem of very wealthy persons who paid little or nothing in Federal income taxes. There were, for example, 155 persons with reported incomes for 1967 in excess of \$200,000 who paid no Federal income tax at all for that year, and the number rose to 222 for 1968 and 301 for 1969. Many other wealthy individuals pay only a small fraction of their income in taxes.

The minimum tax has had some impact, but not enough. There were still 112 persons with reported incomes in excess of \$200,000 who paid no Federal income tax for 1970, the first year in which the minimum tax took effect. What is more serious, however, is that the 18,646 taxpayers who were affected by the minimum tax in 1970 paid it at an effective rate of only 4 percent. The figures for 1971 are not yet available.

There are two reasons for the low effective rate of the minimum tax. First, only certain specified "tax preference" items are subject to the tax:

First. Accelerated depreciation on real property and on personal property subject to a net lease—the excess of accelerated depreciation over straight-line depreciation;

Second. Amortization of certified pollution control facilities and railroad rolling stock—the excess of special 5-year amortization over normally allowed depreciation;

Third. Stock options—the excess of the fair market value of the stock at the time of exercise over the option price;

Fourth. Reserves for losses on bad debts of financial institutions—the excess of the institution's fixed-formula bad debt reserve over its actual bad debt loss experience;

Fifth. Depletion—Oil and other mineral depletion allowances to the extent they exceed the actual cost of acquiring and developing the property;

Sixth. Capital gains—One-half of capital gains for individuals and three-eighths for corporations.

A great many other items generally considered to be tax preferences are not covered by the minimum tax, including intangible oil and gas drilling expenses, tax-exempt bond interest, the unrealized appreciation on property contributed to charity, and excess farm losses.

Second, the taxpayer's total tax preference income must exceed \$30,000 plus the amount of income tax he pays on his regular, nonpreference income before the minimum tax is even assessed. And then the minimum tax rate is only 10 percent, about what a married couple filing separately would pay on a total family income of \$12,000.

The minimum tax brought in only

\$116.9 million in 1970, according to Treasury figures. H.R. 967 would raise an additional \$2 billion a year by making the following changes in the minimum tax:

First. Eliminate the deduction presently allowed for the amount of tax paid on regular, nonpreference income.

Second. Reduce the exemption of preference income from \$30,000 to \$12,000.

Third. Increase the minimum tax rate from 10 to 20 percent.

#### THE VOLUNTARY MILITARY SPECIAL PAY ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 15 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, I am pleased to once again join with two distinguished members of the Armed Services Committee, Mr. BENNETT and Mr. BOB WILSON, and with a leader in the effort to end the draft, Mr. MATSUNAGA, in introducing the Voluntary Military Special Pay Act of 1973.

Under the leadership of Chairman HÉBERT and the Armed Services Committee, the 92d Congress took many important steps toward eliminating conscription. The recruiting forces were upgraded, ROTC scholarships were expanded, an extensive medical training program was enacted, and a competitive pay scale for first term servicemen was authorized.

The new pay scales were designed for comparability to similar occupations in the civilian sector. The principle represented an important reversal in post-World War II military compensation policy. As a result of Public Law 92-129, the draft will no longer be used to force young men to serve at poverty level wages. The costs of national defense will be borne by the taxpayers in general, not disproportionately by the minority of young men selected for military service.

#### A FLEXIBLE APPROACH TO PERSONNEL MANAGEMENT

The Voluntary Military Special Pay Act of 1973 is the final compensation measure in the volunteer force package. In general, regular military pay rates will be sufficient to attract the quantity and quality of men needed to fill manpower requirements in the absence of the draft. At all times, however, there will be certain highly skilled occupations which command a premium wage in the civilian economy. Regular military compensation—which is strictly tied to rank and time in service—does not provide the flexibility needed to attract individuals with unusually high aptitudes or civilian-acquired training. Civilian employers have long used special incentives—above and beyond entry level pay—to attract high caliber personnel. The armed services have also used this principle to improve retention. The Voluntary Military Special Pay Act establishes a special incentive authority for military enlistment programs, and refines present law to improve career reenlistment rates.

I should like to briefly highlight the key provisions of the bill. The selective reenlistment incentive will provide a flexible tool for retaining skilled personnel. It will actually save money, by enabling the services to terminate the regular reenlistment bonus, which is now being spent unwisely in overmanned skills. Naturally, "save pay" provisions will be in effect for personnel already onboard. As the gentleman from Texas (Mr. FISHER) noted during last year's hearings, the selective approach represents a significant innovation, as it moves away from the concept of pay by grade, and bases compensation upon occupation and performance. In the long run, this concept can be developed to greatly reduce personnel costs with no loss in real strength.

Second, the bill provides enlistment incentives for the active duty forces. Legislation now on the books grants this authority only for the combat arms. Yet every time we hear an argument on the need for the draft, we are told that there will not be enough quality accessions without the induction authority to fill technical requirements. The Special Pay Act will preclude this problem from arising, by giving the Secretary of Defense the authority to compensate skilled young men at rates comparable to those offered by civilian employers.

Third, similar enlistment and reenlistment provisions are established for the reserve forces. On June 29, 1971, I introduced legislation designed to attract and retain sufficient personnel to meet our standby manpower requirements. At that time, I noted that the heavy reliance on the draft by these forces was obvious to all—and that there should be no delay in implementing corrective measures. Since that time, these forces have fallen more than 50,000 below congressionally mandated minimum strengths. We shall eliminate these shortfalls by offering a more flexible set of incentives—and by a more vigorous recruiting effort, combined with improved training programs for weekend and summer drills.

Finally, the bill establishes rates of compensation for military physicians, designed to end the doctor draft. The Special Pay Act will make it possible for members of the medical profession to choose a meaningful career in the military, without suffering a serious financial penalty.

#### SUPPORT FOR THE VOLUNTARY MILITARY SPECIAL PAY ACT

The House of Representatives approved this legislation during the 92d Congress by the overwhelming margin of 337 to 35. It has earned the support of the Department of Defense, the military services, the House Armed Services Committee, the Reserve Officers Association, and the National Guard Association. President Nixon, in his historic August 28, 1972 pledge to end the draft, underscored the importance of the Special Pay Act.

The Senate was unable to take up the bill prior to adjournment. I am confident, however, that the 93d Congress will speedily approve this most important bill.

In conclusion, Mr. Speaker, I wish to commend the gentleman from Florida (Mr. BENNETT) for his leadership and initiative in the effort to end the draft. I urge my colleagues to join in supporting the Voluntary Military Special Pay Act of 1973.

I include testimony in support of the Special Pay Act by Assistant Secretary of Defense Roger T. Kelly which appears immediately following my remarks. The budgetary data has been revised by the Defense Department to reflect fiscal year 1974 figures:

STATEMENT BY ROGER T. KELLEY, ASSISTANT SECRETARY OF DEFENSE (MANPOWER AND RESERVE AFFAIRS) BEFORE SUBCOMMITTEE NO. 2, HOUSE ARMED SERVICES COMMITTEE SEPTEMBER 25, 1972

Mr. Chairman and Members of the Subcommittee:

It is always a privilege to appear before this Subcommittee. In my many appearances here, I am always bolstered by your support and enriched by your counsel which invariably produces better program results than if we relied solely upon our own ideas and judgments.

In my several appearances relating to eliminating the draft and moving to an All-Volunteer Force, you cautioned against accepting a volunteer force whose cutting edge was any less sharp than that of the existing force. You cautioned against trying to "buy" a volunteer organization by offering costly financial incentives while neglecting issues of force management, job challenge, effective training and motivation of people. We have been guided by your cautions and I believe have strengthened our military organization in the process.

Now we are within reach of eliminating reliance on the draft, and of achieving an All-Volunteer Force composed of 2.3 million active duty and 1 million Selected Reserve members. There are remaining problems to be solved and for this we again need your understanding, counsel and support. Later I will describe these problems and their proposed solutions. But first, Mr. Chairman, I would like to comment briefly on the effects of last year's landmark legislation, Public Law 92-129, as well as certain of our management initiatives.

The key element in this legislation was, of course, the substantial increase in pay and allowances for personnel in the lower enlisted grades—reflecting the fact that for 13 years, from 1952 to 1964, first term members received no pay increases. Before these substantial adjustments a single recruit, E-1, living on base and in basic training, received \$135 a month. Now his basic pay has more than doubled to \$288. By correcting this pay inequity, the military services are able to compete for young people in the labor market.

It is to be noted, however, that the pay of junior enlisted people should have been increased because that was the right thing to do—with or without consideration of eliminating the draft. In our society there is no defense for conscripting men into poverty in order to serve in a peacetime force.

Draft calls (thousands)	
1952-67 (average) .....	193.0
1968 .....	299.0
1969 .....	289.9
1970 .....	163.5
1971 .....	98.0
1972 .....	50.0

When this and other provisions of Public Law 92-129 were enacted, less than 2 years remained to complete the transition to an All-Volunteer Force. Now less than one year of the induction authority remains, and there are signs of substantial progress toward

the objective of eliminating reliance on the draft.

The most direct evidence of progress is the sharp decline in draft calls from their peak of 299,000 in CY 1968. Fewer than 50,000 men will be inducted in CY 1972.

*Enlistments—Draft motivated and true volunteer*

(Thousands)

Fiscal year 1971:	
Draft motivated	152
True volunteer	215
	—
Total	367
Fiscal year 1972:	
Draft motivated	93
True volunteer	278
	—
Total	371

Of equal significance is the enlistment experience of the Services in FY 1972 compared with FY 1971. Despite a sharp drop in draft calls from 152,000 in FY 1971 to 25,000 in FY 1972, enlistment levels were maintained and the proportion of true volunteers among those who enlisted increased from 59% to 75%. The proportion of true volunteers among enlistees has continued to rise in the months of July and August to its present level above 80%.

Several factors account for this improvement, not the least of which is the doubling of pay for entry level personnel. Improving the conditions of service life, modernizing the training of personnel, and renewing the emphasis on professionalism in military service also have attracted additional volunteers.

Another key factor in the enlistment improvement has been the revitalization of the recruiting program. I reported to you last year my dissatisfaction with military recruiting during the years of heavy draft, and I am glad to report that the Services have been responsive to change. The officers and NCOs in recruiting billets today are, for the most part, capable of projecting service life to military candidates because they themselves are successful members of their services.

The favorable impact of competitive pay levels, improved service life, aggressive recruiting and other initiatives is illustrated by the Army's experience in enlisting men for the ground combat specialties—infantry, artillery, and armor. During July to December 1970, enlistments for these specialties averaged 227 a month compared with requirements averaging 5,000 a month. Most of the men assigned to ground combat jobs were either draftees or men who enlisted without selecting a military specialty. During July to December 1971, ground combat enlistments reached a one-month high of 3,900 and averaged 3,000 a month. It continued at this level during the early months of 1972.

*Army ground combat arms enlistments  
(monthly average)*

Jul-Dec 1970	227
Jan-Jun 1971	1,392
Jul-Dec 1971	3,076
Jan-May 1972	3,006
Jun-Aug 1972	4,567

With Army combat arms enlistments stabilized at 3,000 a month for one year, we began a test on June 1st of the combat arms enlistment bonus authorized by Congress. A bonus of \$1,500, half the maximum amount authorized, is being offered to Army and Marine Corps ground combat volunteers who enlist for four years.

The preliminary results are encouraging. Before the bonus was implemented there were some Marine Corps four year ground combat enlistments, but none in the Army. Application of the bonus in June, July, and August has been effective in obtaining longer term enlistments. During that 90-day period

the Army enlisted 13,700 men for the ground combat arms with approximately 56% enlisting for four years under the ground combat enlistment bonus and others enlisting for three years without the bonus. The Marine Corps enlisted 3,325 men in the ground combat arms with 88% accepting the bonus in return for a four-year enlistment.

The test will continue at least through October, enabling us to determine the extent to which the bonus will increase the total number of combat arms enlistments and whether it has any reverse effect on Navy and Air Force enlistments.

The longer enlistment of four years associated with the bonus is significant. It has the effect of substantially reducing the high cost of training and reducing personnel turnover in the future. It is also an indication that an enlistment bonus can be used effectively to attract people for longer enlistments in sophisticated skills that require long training, thus further reducing the cost of training.

I ask that you note especially how the enlistment bonus was employed in combat arms. We did not use the bonus as soon as it was authorized, preferring instead to find out how many could be attracted to the combat arms without the bonus. Only after enlistment levels for July-December 1971 continued through the first five months of this year did we start using the bonus. And then it was offered in the amount of \$1,500 to those ground combat volunteers who enlisted for four years, rather than offering \$3,000 for 3-year enlistments. This is typical of the manner in which other flexible bonuses would be administered with control from my office, given the authority by Congress under H.R. 14545 to use them for occupational shortages other than in combat elements.

There are other significant signs of progress, such as the quality of force indicators, on which I will reserve comment in the interest of your time. I will be happy to respond to your later questions in these areas.

*THE REMAINING PROBLEMS AND  
THEIR SOLUTIONS*

So much for progress to date. Now the remaining problem areas of which there are three:

1. To avoid substantial manpower shortages in the Active Forces, including those affecting critical specialties, by a combination of management actions and financial incentives that will increase retention, stabilize the force, and reduce the heavy burden of recruiting new and untrained personnel.

2. To attract qualified volunteers and retain experienced personnel in sufficient numbers to meet the manning requirements of the Guard and Reserve.

3. To eliminate the doctor draft by making military doctors' pay reasonably competitive with that of civilian doctors and by increasing the professional challenge of medical practice in the Armed Forces.

*Avoiding manpower shortages and stabilizing the active forces*

Adjustments are being made in manpower policies and practices to cope with this problem. Our actions include, besides intensification of efforts to attract more recruits, a much greater emphasis upon retaining trained and qualified personnel through reenlistment and upon selectively replacing military men in jobs that can be performed as well and as economically by civilians and military women.

As the Armed Forces reach a stable state in the post Vietnam era, many more service people can be attracted to continuing their military careers. There is little question that the satisfactions of military service, properly presented alongside other job options, will result in higher rates of retention through reenlistments than those experienced in recent years.

We know it is in our own best interest to reduce personnel turnover, because experienced people are more productive than new people, and a smaller proportion of our force will be employed in receiving and conducting training.

Notwithstanding these and other initiatives, we remain at a disadvantage in competing for specialists whose skill command a premium wage in the civilian labor market. In order to operate and maintain today's sophisticated weapons systems the Armed Forces need to attract people who can absorb complex technical training, and to retain a sufficient number of officers and enlisted men who possess these skills. Excessive turnover of expensively trained specialists lowers the effectiveness of our military units and imposes heavy repetitive training costs.

A related aspect of this problem is that some jobs in the military are not popular among young men who are contemplating military service. For example, it is difficult to attract some men to serve as foot-soldiers because of the physical rigors and risks of the occupation. Many refuse reenlistment in the Navy because of the long separations from family caused by extended sea duty. Because of these service detractors, a level of compensation which attracts and retains people in certain military occupations may be insufficient in others.

In addition to these classic attraction and retention problems, we must stabilize the active forces by correcting force imbalances which developed over past years. The profile of our present active force, like last year's beauty queen, has bulges in the wrong places.

The force imbalance is illustrated in this profile of the officer inventory, comparing the current force with what it should be. Note the inadequate retention of junior officers in the fourth through twelfth years, the surplus of officers beyond the twelfth year, and irregularities in force distribution by years of service. The high uncontrolled losses during the early years contribute to these characteristics. They dilute the overall experience level of the officer force, reduce the ability of the services to be truly selective in the promotion and retention of officers, and create difficulties in retaining the required mixture of skills by grade. Additionally, junior officer shortages caused by high loss rates force personnel managers to compensate for these shortages by carrying more officers to retirement than are needed in senior grades and positions.

The current officer force also reflects statutory provisions of tenure, resulting in what remains of the World War II "hump" at 29/30 years and in the Korean "hump" between 17 and 21 years. Many of these officers are now entering retirement, but the valley in the early years still leaves us with a serious problem.

The bulges and "valleys" that characterize the officer force are to be found in the enlisted force as well. This is a DoD profile which combines all Services, while the profiles of the individual Services show much more pronounced differences in certain areas between what they are and what they should be.

The selective pay mechanisms requested in H.R. 14545 will enable us to cope with inadequate attraction and retention in any critical skill and prevent the formation of future valleys in our force structure.

The requested mechanisms are based on the 1971 Quadrennial Review of Military Compensation which concentrated on the study of special incentive pays. These special pay proposals are not hastily conceived ideas. They are carefully considered, and based on time-tested concepts which draw upon years of experience with special pays in the military service. In our judgment they constitute the critical second step in our move to an All-Volunteer Force.

*Expanding the enlistment bonus authority*

An important tool in avoiding manpower shortages and stabilizing the active forces is the flexible enlistment bonus authority. Under existing law, the authority is restricted to individuals enlisting for at least three years in the active force combat elements who may be paid up to \$3,000. Payments under this authority may not be made after June 30, 1973.

As described earlier, preliminary results of the current \$1,500 enlistment bonus in the ground combat elements indicate that the bonus is an effective and highly efficient way to attract people for longer enlistments and to raise the quality of people entering a given occupational field.

However, difficulties in obtaining qualified entrants will not be limited to Army and Marine Corps combat elements. For example, reduced draft pressure has already caused a major shortage in volunteers for the Navy's six-year nuclear propulsion enlistment program which, unless corrected, will interfere with manning of nuclear-powered ships.

To solve these and similar problems, H.R. 14545 would extend the enlistment bonus authority to any enlisted skill which the Secretary of Defense determines is in critical supply. The bonus can be varied by amount and length of enlistment. We would plan to use the bonus not only to attract people to shortage skills but also to lengthen the enlistment term, thereby spreading training costs over a longer period and reducing the high cost of training.

*The reenlistment bonus—And spending money where the problem is*

Another important tool in avoiding manpower shortages and stabilizing the active forces is the reenlistment bonus, but in a revised form from that provided in existing laws.

The inadequate retention of personnel in certain enlisted skills has been a chronic problem in the past and will remain a problem in the future unless decisive actions are taken. In past years, enlisted pay was consistently lower than civilian pay for comparable levels of responsibility and skill. Public Law 92-129 corrected this deficiency for the average situation. However, as indicated earlier, expanded technology requires the Services to employ a number of skills that command a higher than average wage in the civilian market. It is these skills that constitute the current and anticipated enlisted retention problems.

For example, if H.R. 14545 had been enacted earlier, it could have been used by the Secretary of Defense to address a severe problem of inadequate reenlistment in the Navy's nuclear program. Pending consideration of H.R. 14545 by the Congress, however, it was considered that the nuclear reenlistment problem was so compelling that a limited legislative authority should be sought. Accordingly, H.R. 16608 has been introduced by Chairman Hébert and Mr. Arends. I understand that hearings are scheduled on H.R. 16608 following completion of hearings on H.R. 14545. If H.R. 14545 is enacted without substantive change it would be used to assist the Navy in the nuclear enlisted personnel problem and enactment of H.R. 16608 would not be necessary.

Existing laws offer some means of addressing these problems: the Regular Reenlistment Bonus, the Variable Reenlistment Bonus, and Shortage Specialty (Proficiency Pay). However, even collectively these incentives have not been fully effective because they don't result in spending money where the problem is—and in one major area, that of first term reenlistments, they require payment in many instances where there is no manning problem.

The cost effectiveness of these incentive dollars can be improved by combining the

most desirable features of the Regular Reenlistment and Variable Reenlistment Bonuses into a Selective Reenlistment Bonus as proposed in H.R. 14545. The incentive in this form would be much more flexible than the existing one and could be paid at any problem decision point during a member's initial ten years of service. The amount of the bonus payment would vary depending on the severity of the retention problem in a particular skill. Amounts would range from a low of approximately \$1,000 to a high of \$15,000 while average bonus payment to an individual serving in a shortage skill would be about \$6,000. Members who reenlist in a skill where no shortage exists would not receive a bonus.

There is no significant cost in converting to the Selective Reenlistment Bonus, and in the long range it would result in considerable savings. This is because of two factors. First, as the Selective Reenlistment Bonus proves its effectiveness, the Department of Defense would phase out payment of Shortage Specialty (Proficiency Pay). Second, as mentioned above, members who reenlist in a skill where no shortage exists (excepting those in the force now) would not receive a bonus. The end result would be a budgetary reduction in reenlistment costs while retaining more people in critical skills.

*Officer continuation bonus*

Another key provision of H.R. 14545 addressed officer retention. A major aspect of this problem—to be discussed later by my colleague, Dr. Richard S. Wilbur, Assistant Secretary of Defense (Health and Environment)—has to do with retaining military physicians and other health professionals. Therefore, my remarks will be limited to retaining officers other than health professionals, although the principles of retention apply equally in solving the doctor supply problem.

Retaining officers in critical specialties has presented difficulties in the past. Specific examples are nuclear submarine officers and lawyers. The highly effective continuation bonus authority for the nuclear submarine officers expires on June 30, 1973, and this authority must be extended if we are to be competitive in retaining a sufficient number of these officers whose skills are in great demand in the civilian market. In addition, legislation addressing the lawyer supply problem has been passed in the House of Representatives and, as you know, hearings on this bill were held in the Senate last week.

The officer continuation pay provision of H.R. 14545 has the flexibility to address the supply problem in both of these critical areas, as well as others which may become critical in the future. Officer specialties that have supply problems will vary from time to time just as the supply and demand for professional, technical, and managerial personnel fluctuate in the civilian job market. Legislative action is needed, in the form of a flexible bonus that can be used or withdrawn depending on supply and demand, to assure the presence of qualified officers in critical specialties.

H.R. 14545 would authorize the Secretary of Defense to pay a variable bonus of up to \$4,000 per year to officers who execute a written agreement to extend beyond their first obligated tour. It would be offered only at times and in amounts needed to solve officer retention problems in specific skills.

*MANNING THE GUARD AND RESERVE*

The Reserve Forces present a unique problem whose solution is essential to achieving and maintaining an All-Volunteer Force.

In the past, when the draft was a major source of military manpower, many young men were motivated to join the Guard and Reserve as a means of avoiding the draft and active military service. Waiting lists of applicants for Guard and Reserve membership,

characteristic of the years of the heavy draft, have disappeared. And disappearing also are many of the draft motivated young Guardsmen and Reservists as their obligated terms of service expire.

Through August 1972, the combined National Guard and Reserve force strength was 54,000 below the Congressionally mandated minimum of 976,559. It is estimated that this shortage will rise after the summer months, and that it will be higher still next year unless early and positive action is taken to stimulate enlistments and reenlistments in the Guard and Reserve.

A key provision of the Uniformed Services Special Pay Act is the authority to use enlistment and reenlistment bonuses for the Selected Reserve. But before discussing that provision of the bill, let me try to bring the Guard and Reserve picture into focus.

As you know, the Guard and Reserve suffered badly during the Vietnam years, both as to credibility and overall effectiveness. Their combat role was questionable, their missions ill-defined, their units under-equipped and under-trained, and their forces overrun with men who joined for the wrong reason—because they wanted to avoid military service and the war in Vietnam.

I am pleased that I can report a tremendous revitalization within the Guard and Reserve. The Total Force concept has given their members a purpose, because they know they are to be relied upon as the initial and primary augmentation for the active forces. By the end of this fiscal year their equipment deficiencies will have been virtually eliminated. Training has been intensified, readiness is improving, and Guard and Reserve forces are being modernized.

The Guard and Reserve portions of the Defense budget have increased from \$2.1 billion in FY 1969 to \$4.1 billion in FY 1973. This latter will be the largest single year investment in the Guard and Reserve in our nation's history.

Along with these initiatives for internal reform, action has been taken to improve public understanding of the Guard and Reserve role in our nation's security and to enlist the cooperation of American employers so that more of their employees will participate in Guard and Reserve activities. The National Committee for Employer Support of the Guard and Reserve under the leadership of Mr. J. M. Roche, former Chairman of the Board of General Motors, has launched an extensive program to achieve this essential goal of public understanding and employer support of the Guard and Reserve.

In addition to substantial progress in these areas, there is evidence of greater activity and better results in Reserve recruiting. Much remains to be done in this area, but it would be inaccurate to characterize the Reserve forces as simply waiting for the bonus authority to solve their personnel supply problems.

There will be intensified efforts to accelerate improvement in Guard and Reserve recruiting, and to obtain the assistance of Active Force recruiters in meeting Reserve needs. At the same time, there will be an intensification of programs to make Guard and Reserve training meaningful so that "make work" activities do not drive people away from Guard and Reserve service.

Now I should like to discuss the Guard and Reserve bonus provision of H.R. 14545. The bill would authorize an enlistment bonus of up to \$1100 for a six-year enlistment of a non-prior service individual. It would authorize a reenlistment bonus of up to \$2200 for a critical skill, or \$1100 for a non-critical skill, for six-year reenlistments.

As stated, we would control use of Guard and Reserve bonuses with the same kind of monitorship exercised in administering the combat arms bonus. We will take into consideration the lack of personnel mobility

which confronts the Reserve community—specifically, the inability to move people who possess certain skills from an area of supply to an area of need. There would be uniformity in bonus payments between Reserve components for identical needs.

In the "Speaker" letter of March 22, 1972, which transmitted H.R. 14545, we indicated that bonuses would be restricted initially to a maximum average of \$1,800 for reenlistments and \$600 for enlistments. In our most recent costing actions, the maximum average for reenlistment bonuses has been further reduced to \$1,320. Unlike the active forces, some Guard and Reserve skill requirements do not occur on a nationwide basis. Therefore, their members must be enlisted to serve in local units, rather than to meet overall national requirements.

To qualify for bonuses, the military department must demonstrate in each case its eligibility under uniform criteria. These criteria will include, in addition to establishing a bona fide personnel shortage, evidence that the unit is doing what it can to overcome the shortage without bonus payment—including the obtaining of help from the local active force recruiting component of that service. Bonuses will not be paid to individuals who are employed fulltime in the Selected Reserve, nor to individuals not associated with units that would be mobilized to serve as units.

#### COST AND SUMMARY

Mr. Chairman, the third problem area relates to the health professional field and this will be discussed by Dr. Wilbur. As I said earlier, the principles underlying special pay authorities sought in H.R. 14545 apply equally to the medical and non-medical fields.

Finally, I would like to stress that we have proposed these special pay authorities in a flexible form. Manning the Armed Forces is a dynamic problem because skills demanding a premium change with time, as does the level of premium necessary for a particular skill. To be able to compete with others for the nation's manpower, the Department of Defense needs compensation tools that are flexible and adaptable for use in a changing environment.

In its flexible form, H.R. 14545 will be cost effective because it consists of special pay forms that authorize the spending of money where the problem is. We urge your support of it, and welcome your questions.

#### ADDITIONAL BUDGET COSTS<sup>1</sup>

[In millions of dollars]

Program	Fiscal year—				
	1974	1975	1976	1977	1978
Enlistment bonus.....	42.6	89.1	135.6	139.5	139.5
Selective reenlistment bonus.....	2.3	1.5	—9.2	—32.6	—83.4
Officer active duty agreements.....	20.0	25.0	25.0	25.0	25.0
Selected Reserve enlistment/Reenlistment bonus.....	85.4	107.1	139.7	97.3	108.9
Health professions.....	75.0	95.0	105.0	112.0	112.0
Total, DOD.....	225.3	317.7	396.1	341.2	302.0

<sup>1</sup> Department of Defense, Dec. 18, 1972.

#### DROPPING OF BOMBS IN VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 30 minutes.

Mr. DRINAN. Mr. Speaker, from this historic well I speak today both for my constituents and to my constituents. I speak as their representative who has

shared their anguish and agony since that awful day of December 18, 1972, when the image which so many of them had of America as a nation striving to be the conscience of the world was shattered by the waves of B-52's dropping bombs in downtown Hanoi and Haiphong. I speak to my constituents to try to give them some evidence that the Congress appreciates the constitutional crisis in which my constituents and the entire Nation finds itself.

I have learned personally and profoundly of the horror, shock, indignation, and outrage which my constituents have experienced during the 12 days of terror bombing and in the 12 days which have elapsed since the suspension of bombing in North Vietnam. Citizens of every kind, young and old, Democrats and Republicans, hawks and doves—all have written to me pouring out the consternation and indignation which they feel at the unexplained and unprecedented rain of terror over areas occupied by civilians.

In the days which I spent in my congressional district from December 24 to January 1, I spoke with countless individuals who felt betrayed by the clear promise and prediction of peace given by Dr. Kissinger and President Nixon prior to the November 7 election. The most heart-rending experience came from the mother of a POW who stated that her disappointment at the resumption of bombing was particularly acute since she had in all honesty expected that her son, imprisoned for almost 5 years, would in fact be home for Christmas. I have worn the POW bracelet of this captain in the Marines for many months and I, too, was overwhelmed with sorrow that this man and his widowed mother must continue to be victimized by circumstances which they and we do not understand.

On New Year's Eve, I attended a fundraising function for the rebuilding of the Bach Mai Hospital in Hanoi. A physician who had been in Hanoi several weeks ago as part of a medical team described this teaching hospital as the equivalent in prestige and role of the Massachusetts General Hospital. The authorities of the Bach Mai Hospital had long anticipated air raids and are able to bring all of the 1,150 patients in the hospital to air raid shelters within 3 minutes of the alert. The only persons who cannot respond to the alert are the doctors and nurses in the operating rooms. This arrangement is one of the reasons why some 25 medical and nursing personnel were killed in the destruction of this hospital by U.S. bombers.

I have been in touch with groups in Gardner, Sudbury, Framingham, Newton, and elsewhere who sponsored peace vigils on Christmas eve or at other times. I have sent to President Nixon the very moving petition for a cessation of the bombing signed by many residents of Sudbury at a vigil conducted on the steps of the Sudbury Town Hall on Christmas Eve.

The hundreds of letters which I have received manifest more indignation and frustration than the much smaller number of protests which came to me after President Nixon, on May 8, 1972,

announced the mining of the harbor at Haiphong and the intensification of the air war over North Vietnam. Obviously the bitterness and outrage come from the fact that President Nixon stated categorically on November 6, 1972, the very day before the election, that the war would end. The President spoke as follows:

We have agreed on the major principles that I laid down in my speech to the nation of May 8. We have agreed that there will be a cease fire, we have agreed that our prisoners of war will be returned and that the missing in action will be accounted for...

There are still some details that I am insisting be worked out and nailed down because I want this not to be a temporary peace.... But I can say to you with complete confidence tonight that we will soon reach agreement on all the issues and bring this long and difficult war to an end.

Mr. Speaker, after that unambiguous commitment by the President of the United States my constituents have a right to be outraged when they learn from the media, with absolutely no announcement or explanation from the U.S. Government, that waves of American airplanes are pounding the heartland of North Vietnam in and around the heavily populated cities of Hanoi and Haiphong.

The letters which came to me speak of the voicelessness, the powerlessness, and the helplessness of the writers. One constituent wrote that he first heard of the Vietnam war when he attended a teach-in on the subject as a sophomore in high school and that now he is finishing graduate school and the longest war in American history continues. Another constituent quoted George Santayana who stated that fanaticism is when you redouble your efforts having forgotten your aim.

Not a single letter spoke in favor of the bombing and only a handful indicated that the Congress seek some explanation from the President or the Pentagon. One eloquent woman summed up the tone and thrust of virtually all of the letters when she said that the Congress must "stop a President who has usurped our powers, lied to our people, degraded the Congress, and mocked the Constitution."

I would like to talk about the three central themes of the countless conversations and hundreds of communications which I have had with my constituents. These themes are, first, the Congress should cut off funds for the war; second, the Congress must continue to speak out; and third, the Congress should give consideration to the question of impeachment of the President.

#### CAN THE CONGRESS CUT OFF FUNDS FOR THE INDOCHINA WAR?

About the only encouraging event which I can relate is the decision of the Democratic caucus in the House which on January 2 resolved in a vote of 154 to 75 to establish it as the policy of the majority party that no further funds would be given to Vietnam. Although this vote is more significant and more promising than a comparable vote of the Democratic caucus in April of 1972, the fact remains that 75 Democrats are still "hawks" and do not agree with the plat-

form of the Democratic Party or the manifest wish of a clear and growing majority of American citizens.

On January 5, the House Republican Conference voted 135 to 7 to support the efforts of President Nixon to end the Vietnam war. Almost 50 Republicans absented themselves from the Republican caucus. On a more precise point introduced by Congressman PAUL McCLOSKEY, of California, the Republicans in the House of Representatives refused by a vote of 91 to 43 to call for an end of the bombing in North Vietnam.

In view of these realities the grim fact is that the House is about 34 votes short of attaining the necessary 218 Members necessary to pass any legislation in the House. It is possible, however, that some of the 75 Democrats who refused to accept the stated policy of their own political party as well as the settled judgment of the majority of the majority party could alter their views or at least abstain. They would be much more likely to do so if the Democratic leadership in the House of Representatives exercised to the full the influence available to them.

Even if, however, the House were able to join the Senate in cutting off funds for the war in Vietnam the President could veto such a bill and the Congress simply would not have the two-thirds necessary to override the President's veto. However difficult the predicament of the Congress may appear, however, one must remember that the number of Congressmen voting against the war has risen from a dozen to about 180 over the course of some 2 or 3 years. In talking with my colleagues in the Congress about the outpouring of mail against the bombing I could only wonder whether they would even have voted to fund the war in Vietnam if their constituents in 1965 and 1966 had protested with the same vigor against the escalation of American ground troops in Indochina up to more than 500,000.

WE MUST SPEAK OUT; WE ARE NOT "GOOD GERMANS"

The innumerable contacts which I have had with my constituents since December 18 indicate overwhelmingly that they feel compelled in conscience to speak out and denounce the incredible atrocities unleashed by the President and the Pentagon. More than one letter stated that we can no longer be "good Germans." One elderly lady wrote that she never thought that she would live to be consoled by 50,000 citizens of Holland demonstrating in Utrecht against the terror tactics of her own nation. A man of French-Canadian origin stated to me that he was ashamed of the United States and agreed with the resolution of the Canadian House of Commons which unanimously adopted a government-sponsored resolution deplored the bombing in the Hanoi and Haiphong area. Another correspondent wrote that the raids of terror over Hanoi were no different than the planes of Hitler raining devastation on Warsaw, Rotterdam, and Coventry.

To all who have written to urge me and other Members of the Congress to cut off funding for the war I can only

repeat that all of these individuals must continue to intensify their efforts so that their friends throughout the Nation will reach their own Congressmen so that we will have as quickly as possible a majority of the House of Representatives voting against the war. I repeat, however, that, sad to relate, the House of Representatives is still the silent "House of hawks."

Speaking out will help. Speaking out can be done by letters, conversations, working in political ways, participating in peaceful demonstrations and prayer vigils and any other activity designed to influence public opinion.

I agree completely and unequivocally with those who urge Members of Congress and every citizen to speak out. I would hope that all of us are agreed that the sin of silence is one of the worst offenses that any person can commit. I would assume also that we are all agreed that the sin of silence is still a sin even if no one is listening.

Many of those who have written to me ask for counsel and direction as to the best way to protest the bombing and the war. I am afraid that I cannot give very good advice on this matter. On the evening of January 3, the day the 93d Congress opened, I went to a peace vigil at the Presbyterian Church in Washington, D.C. The service, attended by well over 1,000 persons, was very moving but I found myself perplexed and depressed, because it was in this very church many years ago that I gave my first public address against the war in Vietnam. That address was given a long time before my trip to Vietnam 3½ years ago. I knew many of the participants in the vigil that night; they were the veterans of the peace movement which has protested the U.S. involvement in Southeast Asia for 10 years. However awful the present situation is the fact remains that if these individuals had not striven mightily over so long a period the United States might well have done even more shameful things in Indochina. The United States might have bombed the dikes, invaded North Vietnam or even used nuclear weapons as another President did in Hiroshima and Nagasaki.

I am afraid that I cannot state or even intimate to those who are now protesting the bombing that their continued and intense effort will not be needed in the future. There is no indication that President Nixon desires to have a settlement on any terms other than those of President Thieu. It seems clear that President Thieu intervened after Dr. Kissinger announced on October 26 that "peace is at hand" and told President Nixon that he—President Thieu—would not settle on the terms agreed to by the United States and North Vietnam. It may be that President Thieu stated that he would refuse to release the North Vietnamese prisoners of war held in South Vietnam unless the treaty stipulated that the 145,000 North Vietnamese soldiers on the ground in South Vietnam were returned to positions north of the DMZ.

In the talk which I had with President Thieu for 55 minutes 3½ years ago it was clear that this crafty and clever

leader would not agree to any coalition government or to any arrangement in which his power would be diminished in any substantial way. President Nixon has presumably been forced to accept this position and has ordered terror bombing of Hanoi to force the North Vietnamese Government to accept the entrenched dictatorial power of President Thieu.

There is no indication that President Nixon will alter his relentless drive for what he calls "peace with honor" but which others would call "victory." In early 1971, President Nixon said:

I will not place any limits on the use of air power.

It has become clear beyond any dispute that the Nixon administration will continue massive bombing wherever or whenever it desires. The Nixon administration initiated and continues to this day the first automated, anonymous, and secret war in American history. In all four countries of Indochina the automated war with "smart bombs" continues day after day and night after night. Military personnel continue to utilize incendiary bombs, napalm, magnesium, and white phosphorus. It may be that the massive bombing of Hanoi and Haiphong is qualitatively and quantitatively different from the automated, computerized, and clandestine air war carried on by the United States against the 50 million people of the four nations of Indochina but it is difficult to distinguish between the hideousness of what the United States has done and the outrage which it perpetrated during the 12 days of terror bombing over North Vietnam.

Unless the Congress and the people of America continue to speak out with all of the energy and resourcefulness available to them the electronic battlefield and the air war in Indochina will continue to devastate the people of Southeast Asia and degrade the citizens of America.

The credibility of the President and the Pentagon was, of course, a casualty of the war months and years ago. What can anyone think today of the statement made on December 16, 1971, by the Air Force Secretary Robert C. Seamans? On that day, just over 1 year prior to the day of infamy on December 18, 1972, the Secretary of the Air Force stated—

No matter how you look at the air activity of the U.S. over there, the trend is definitely downward.

SHOULD THE PRESIDENT BE IMPEACHED?

About 10 percent of the more than 1,000 letters which I received recommend the impeachment of the President or at least urge the most serious consideration of this possibility.

After the May 8, 1972, address of President Nixon announcing the bombing of North Vietnam and the mining of the Haiphong Harbor eight Members of the House of Representatives joined in a petition for the impeachment of the President. A two-page ad in the New York Times on May 31, 1972, set forth the complete text of H.R. 976 moving that President Nixon be "impeached by this House," because of "high crimes and misdemeanors in office."

The indictment of the eight Members

of Congress—all incidentally reelected on November 7—is overwhelming. They accuse the President of continuing to conduct a war even after the repeal of the Tonkin Gulf Resolution on December 30, 1970. The other "high crimes and misdemeanors" include the refusal to negotiate with North Vietnam contrary to the Mansfield amendment enacted by Congress and agreed to by the President on January 17, 1971. Similarly President Nixon is accused of illegality in escalating the air war in Indochina in April 1972, with further illegalities involved in the mining of the ports and the interdiction of rail lines in North Vietnam—as announced by the President on May 8, 1972.

The President is also accused of violations of the Charter of the United Nations along with wholesale contravention of the rules of war in that the President "directed the Armed Forces of the United States to engage in acts of terror against the civilian population and of devastation of the territory of Indochina." President Nixon is also accused of criminal activity in that he directed the killing of "hundreds of thousands of innocent civilians by means of aerial, land, and naval bombardments directed against noncombatants."

The accusations of H.R. 976 filed on May 10, 1972, are not erroneous. Do the accusations add up to a case justifying the impeachment of the President of the United States?

At least a few more Members of Congress are pondering that question and seeking to discover the reasons for their reluctance even to ask the question. However logical and even compelling the reasons for impeachment may appear at this point impeachment hardly seems to be a remedy that can be used or an outcome that seems probable.

During the days before and after Christmas of 1972 I read David Halberstam's "The Best and the Brightest." Seven years ago I read Halberstam's "The Making of a Quagmire." Will the agony that has confronted all of us during the past 7 years over the war endure for the next 48 months? The only way to prevent such an eventuality is for the Congress to stop the war by defunding it. No other remedy exists. But Congress will not reform itself or change its basic views without massive public opinion all across the country. I urge all of my constituents therefore and all of the citizens of this country to induce and to inspire the Congress to become at long last the conscience of the Nation.

#### HOSPITAL AND MEDICAL BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, last week I introduced H.R. 272 to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I and World War II.

During the Second World War, many citizens of Bulgaria, Czechoslovakia, Es-

tonia, Hungary, Latvia, Lithuania, Poland, Rumania, and Yugoslavia fought with great courage against nations at war with the United States. Many of these veterans emigrated to America after the war and became citizens who have enriched our Nation immeasurably through their talent and dedication to the ideals of freedom.

This bill gives the recognition of a grateful nation to these men of bravery in the allied war effort by providing that they be eligible for Veterans' Administration medical and hospital benefits on the same terms as war veterans of the U.S. Armed Forces. The bill is limited to persons who have been American citizens for at least 10 years and who participated in armed conflict with an enemy of the United States during World War II while serving in the armed forces of the countries listed above. American citizens who fought in Gen. Joseph Haller's Army during World War I are covered on the same basis.

Persons who served in the armed forces of the Philippines during World War II have medical and hospital benefits paid by the U.S. Government, whether or not they are citizens. Certainly it is right and proper that we accord the same standards to U.S. citizens who fought and sacrificed for the ideals of freedom and justice which we all believe in and cherish.

I am pleased to inform my colleagues that the House of Representatives of the 77th General Assembly of the State of Illinois adopted on June 15, 1972, House Resolution 732 which memorializes the Congress of the United States to "consider favorably and support passage of pending amendments to title 38 of the United States Code providing hospital and domiciliary care and medical services" for those persons who fought on the side of the Allies against the enemy in World War I and World War II.

In addition, the concept set forth by my proposed legislation has gained the support of such outstanding organizations as the Illinois Division of the American Legion, the National Council of the Veterans of Foreign Wars, the 82d Airborne Division Association, Inc., the 101st Airborne Division Association, and also of the Combined Veterans Associations of Chicago, which embraces the following organizations: the AMVETS, the Catholic War Veterans, the Italian-American War Veterans, the Jewish War Veterans, the Marine Corps League, the Navy Club, the Military Order of the Purple Heart, the Paralyzed Veterans of America, the Polish Legion of American Veterans, the United Spanish-American War Veterans, the Veterans of Foreign Wars of the United States, and the Veterans of World War I.

I introduced this legislation in the second session of the 92d Congress, but the Congress adjourned before action could be taken. I, therefore, strongly urge the support of my colleagues for favorable action on this legislation early in the 93d Congress in order that these limited benefits may be made available to those men who fought so heroically along with the American and allied forces during

two world conflicts for the preservation of our freedoms, and who, because of advancing age, are in greater need than ever before of these benefits.

The text of my bill, H.R. 272, follows: A bill to amend section 109 of title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 109 of title 38, United States Code, is amended by adding at the end thereof the following:*

"(c) (1) Any person who  
"(A) served—

"(i) during World War I as a member of the military organization commonly known as General Joseph Haller's army; or

"(ii) during World War II as a member of any armed force of the Government of Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, or Yugoslavia, and participated while so serving in armed conflict with an enemy of the United States; and

"(B) has been a citizen of the United States for at least ten years

shall, by virtue of such service, be entitled to hospital and domiciliary care and medical services within the United States under chapter 17 of this title to the same extent as if such service had been performed in the Armed Forces of the United States unless such person is entitled to, or would, upon application therefor, be entitled to payment for equivalent care and services under a program established by the foreign government concerned for persons who served in its armed forces in World War I or in World War II.

"(2) For the purposes of this subsection, World War I shall be deemed to have begun on July 28, 1914, and World War II shall be deemed to have begun on September 1, 1939."

#### THE URBAN PARKLAND HERITAGE ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI), is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, in 1961, the Congress, for the first time, openly recognized the desperate need in this Nation for preserving our urban parklands by creating the open space program in the Housing Act of that year. The open space program was designed to enable urban governments to obtain inner-city parklands for the recreational needs of their citizens. This need was particularly acute in the case of low-income residents whose mobility was limited and whose free time was increasing.

Since 1961, our metropolitan population has doubled. We now have 90 percent of our people living on 10 percent of our land. Our cities are bloated. The constant increase of population, construction, traffic and pollution throughout the 1960's and 1970's has tripled the demand for inner-city recreation land. Unfortunately, the open space program has not been able to meet this demand.

Each year the financial demands on our urban areas have multiplied. In 1972, several large cities were forced to declare bankruptcy. As one city official put it:

There isn't enough money to collect the trash, how can we buy a park?

Is it not time we looked at our Nation's urban areas realistically? Truly most of us live and work in a major city; 90 percent of our population—160 million people.

There are 462,000 people in my district in Chicago. They all are forced to live with the noise and the dirt and the overcrowding that has become commonplace. The people in my district and the people in every city in the United States need open space. Yet, for many, there is no open space to be found. Most city dwellers cannot afford to travel the 5, or 10, or even the 100 miles outside of their cities in order to reach adequate parkland areas. As a result, their added leisure time increasingly becomes a frustration. What could in theory be valuable, self-enriching time, becomes wasted time.

Mr. Speaker, today I am introducing the Urban Parklands Heritage Act of 1973—a bill which I hope will enable urban parklands to flourish in our cities. This bill, which will replace the open space program, is, in my opinion, a logical progression of it.

My distinguished colleague and good friend Senator HARRISON A. WILLIAMS, JR., of New Jersey, long a promoter of innercity parklands, and the chief architect of the original open space program, has introduced the Senate version of this bill. Like Senator WILLIAMS, I am convinced that the Urban Parklands Heritage Act is a mandatory first step—a step that the Congress must take if we are to preserve our cities for the future.

The main force of my bill will be the creation of the new Urban Parkland Heritage Corporation. Both State and local governments will be able to contract with this independent corporation for loans and grants to purchase and maintain parks. The Corporation, whose Board of Directors will consist of the Secretary of the Department of Housing and Urban Development, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, four officials of State government, four officials of local government, and four members of the general public, will have only one purpose: to help urban governments to develop a balanced urban environment. As a completely independent body, with contract authority, the Corporation will be free to negotiate with any State or local government for the maintenance of existing parkland or for the purchase of new parkland in inner-city areas. Special emphasis will be placed on low income and poverty areas. The Corporation will assist in the long-range planning for metropolitan areas and encourage and coordinate local public and private efforts toward developing and improving open space and other public urban land. Also, it will assist in the acquisition and restoration of sites and structures of historic or architectural value.

Mr. Speaker, for all of us who live in America's cities, particularly for our youth, recreation areas and the facilities that they provide are a necessity for healthy living. The people in our cities

need land. They need room to move in. They need a place to recreate and to refresh themselves. If our cities cannot provide such places, then they are surely doomed.

I believe that with the enactment of the Urban Parkland Heritage Act of 1973, we can begin to make what is now bearable, livable.

Mr. Speaker, at this point, I would like to insert the text of this legislation in the RECORD:

H.R. 1648

A bill to amend title VII of the Housing Act of 1961 to establish an Urban Parkland Heritage Corporation to provide funds for the acquisition and operation of open-space land, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That* (a) VII of the Housing Act of 1961 is amended to read as follows:

**"FINDINGS AND PURPOSE"**

"Sec. 701. (a) The Congress finds that—

"(1) the rapid expansion of the Nation's urban areas and the rapid growth of population within such areas has resulted in severe problems of urban and suburban living for a substantial majority of the Nation's present and future population, including the lack of valuable open-space land for recreational and other purposes;

"(2) there is a need for additional parks and other open space in the build-up portions of urban areas, especially in low-income neighborhoods and communities, and a need for greater and more coordinated State and local efforts to make available and improve open space land throughout entire urban areas;

"(3) there is a need for timely action to preserve and restore areas, sites, and structures of historic or architectural value so that these remaining evidences of our history and heritage are not lost or destroyed through the expansion and development of urban areas; and

"(4) the welfare of the Nation and the well-being of its citizens require substantial expansion of the scope and level of Federal assistance for the development and preservation of open-space lands.

"(b) It is the purpose of this title to help control urban sprawl by assisting States and local governments in developing a balanced urban environment, to prevent the spread of urban blight and deterioration, to encourage more economic, environmentally sound urban development, to assist in preserving areas and properties of historic or architectural value, and to help provide necessary recreational, conservation, and scenic areas by assisting State and local public bodies in taking prompt action to—

"(1) provide, preserve, and develop open-space land in a manner consistent with the planned long-range development of the Nation's urban areas;

"(2) acquire, improve, and restore areas, sites, and structures of historic or architectural value;

"(3) develop and improve open space and other public urban land, in accordance with programs to encourage and coordinate local public and private efforts toward this end; and

"(4) operate and maintain open space and other public land in a manner which best meets the needs of the residents of that State or locality.

**DEFINITIONS**

"Sec. 702. As used in this title—

"(1) The term 'open-space land' means any land located in an urban areas which has value for (A) park and recreational purposes, (B) conservation of land and other natural resources, or (C) historic, architectural, or scenic purposes.

"(2) The term 'urban area' means any area which is urban in character, including those surrounding areas which, as determined by the Corporation, form an economically and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities.

"(3) The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(4) The term 'local public body' means any public body (including a political subdivision) created by or under the laws of a State or two or more States, or a combination of such bodies, and includes Indian tribes, bands, groups, and nations (including Alaska Indians, Aleuts, and Eskimos) of the United States.

"(5) The term 'open-space uses' means any use of open-space land for (A) park and recreational purposes, (B) conservation of land and other natural resources, or (C) historic, educational, architectural or scenic purposes.

"(6) The term 'Corporation' means the Urban Parkland Heritage Corporation established by section 703 of this title.

**"URBAN PARKLAND HERITAGE CORPORATION"**

"Sec. 703. (a) To carry out the provisions of this title, there is established an independent establishment in the executive branch which shall be known as the Urban Parkland Heritage Corporation, and which shall carry out its functions subject to the direction and supervision of a Board of Directors (hereinafter referred to as the 'Board'). The Board shall consist of—

"(1) the Secretary of Housing and Urban Development, who shall serve as Chairman;

"(2) the Secretary of the Interior;

"(3) the Administrator of the Environmental Protection Agency;

"(4) four officials of State government, appointed by the President, by and with the advice and consent of the Senate, two of whom shall be elected officials, and two of whom shall hold positions related to urban development and the management of open-space lands;

"(5) four officials of local government, appointed by the President, by and with the advice and consent of the Senate, two of whom shall be elected officials, and two of whom shall hold positions related to urban development and the management of open-space lands; and

"(6) four members of the general public, appointed by the President, by and with the advice and consent of the Senate, who have substantial experience in urban development, land use planning, and the management of open-space lands.

Not more than two of the members referred to in each of clauses (4), (5), and (6) may be members of the same political party. Not more than one member referred to in clauses (4), (5), and (6) may be a resident of any one State.

"(b) It shall be the duty of the Corporation to furnish assistance in accordance with the provisions of this title. All grants and loans made by the Corporation shall be approved by the Board, and for the purpose of any such approval, a quorum of the Board shall consist of two-thirds of the members who must be actually present and voting. The Board shall meet not less than four times annually.

"(c) (1) A member of the Board who is otherwise an officer or employee of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties of the Corporation.

"(2) A member of the Board who is not

otherwise an officer or employee of the United States shall receive compensation for his service as a member at the per diem equivalent to the rate for level IV of the Executive Schedule under section 5315 of title 5, United States Code, when engaged in the performance of duties of the Corporation, and shall receive reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

"(d) The Corporation may employ an Executive Director who shall be paid at an annual rate equal to the annual rate of pay for an individual occupying a position under level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(e) Section 5108(c) of title 5, United States Code, is amended by adding at the end thereof the following:

"(1) The Urban Parkland Heritage Corporation may place a total of three positions in GS-16, 17, and 18."

"(f) The Corporation may appoint such other employees as may be necessary to carry out its functions.

"(g) (1) The functions of the Corporation may not be delegated or transferred to any other agency, and no functions other than those conferred by this title may be delegated or transferred to the Corporation.

"(2) Section 902(1) of title 5, United States Code, is amended by inserting before the semicolon at the end thereof the following: 'or the Urban Parkland Heritage Corporation'.

"(h) There are hereby authorized to be appropriated such sums as may be necessary for the operation of the Corporation.

#### "GRANTS AND LOANS FOR ACQUISITION, DEVELOPMENT, AND OPERATION OF OPEN-SPACE LAND

"SEC. 704. (a) (1) The Corporation is authorized to make grants and loans pursuant to section 709 to States and local public bodies to help finance (A) the acquisition of title to, or other interest in, open-space land in urban areas, and (B) the development of open-space or other land in urban areas for open-space uses.

"(2) The amount of any grant under this section shall not exceed 75 per centum of the eligible project cost, as approved by the Corporation, of such acquisition and development. If, however, the project involves the acquisition of interests in undeveloped or predominately undeveloped land which, if withheld from commercial, industrial, and residential development, would have special significance in helping to shape economic and desirable patterns of urban growth (including growth outside of existing urban areas which is directly related to the development of new communities or the expansion and revitalization of existing communities), or if the State or local public bodies could not otherwise reasonably meet its need for open-space lands, the Corporation may make grants to State and local public bodies in an amount not to exceed 90 per centum of the eligible project cost of the acquisition and development of such lands. The amount of any such loan shall not exceed 50 per centum of such eligible project cost.

"(3) Any loan under this section shall bear interest at a rate not less than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum, and each such loan shall be secured by such real or personal property as the Corporation may require.

"(4) In no case shall the combined amount of grants and loans made by the Corporation pursuant to this title to any State or local public body exceed 90 per centum of the eligible project cost for the acquisition and development of open-space lands.

"(b) The Corporation is authorized to

make grants pursuant to section 709 to States and local public bodies to help finance the operation and maintenance of open-space or other land in urban areas for open-space uses for the first four fiscal years of the operation of such lands. The amount of any such grant shall not exceed 75 per centum of the eligible project cost, as approved by the Corporation, of such operation and maintenance for the first fiscal year of operation, 60 per centum of such costs for the second fiscal year of operation, 45 per centum of such costs for the third fiscal year of operation and 30 per centum of such costs for the fourth fiscal year of operation. The eligible project costs for the operation and maintenance of open-space land shall be those costs which are incurred for equipment and supplies used on the site of such open-space land and for the payment of salaries to employees who manage and carry out the programs on the site of such open-space land.

"(c) No grant or loan under this title shall be made to acquire and clear developed land in built-up areas unless the local governing body determines that adequate open-space land cannot be effectively provided through the use of existing undeveloped land.

"(d) The Corporation may prescribe such further terms and conditions for assistance under this title as it determines to be desirable.

"(e) The Corporation shall consult with appropriate agencies and officers of the Federal Government to establish and operate a program to furnish technical assistance, upon request, to States and local public bodies. The Secretary of Housing and Urban Development, the Secretary of the Interior, and the Administrator of the Environmental Protection Agency are authorized to furnish to the Corporation such advice and assistance as may be necessary to carry out the provisions of this subsection.

#### "PLANNING AND GRANT REQUIREMENTS

"SEC. 705. (a) The Corporation shall make a grant or loan under section 704 only if it finds that such grant or loan is needed for carrying out a unified or officially coordinated program, which provides for citizen participation, and which meets criteria established by the Corporation for the provision and development of open-space land which is a part of, or is consistent with, the comprehensively planned development of the urban area.

"(b) In carrying out its duties, the Corporation shall also take into account—

"(1) the accessibility of major Federal or State outdoor recreational facilities or parklands to the area surrounding the proposed open-space land;

"(2) the availability or proposed availability of public transportation to the proposed open-space land;

"(3) the extent of urbanization (as determined by the Corporation) in the communities surrounding the proposed open-space land; and

"(4) the ability of the States or local public body applying for a grant or loan to acquire open-space land in a timely and efficient manner.

#### "CONVERSION TO OTHER USES

"SEC. 706. No open-space land for the acquisition of which a grant or loan has been made under section 704 shall be converted to uses not originally approved by the Corporation without satisfactory compliance with regulations established by the Corporation. Such regulations shall require findings, after public participation (including public hearings in a location proximate to the open-space land), that—

"(1) there is adequate assurance of the substitution of other open-space land of as nearly as feasible equivalent usefulness, lo-

cation, and fair market value at the time of the conversion;

"(2) the conversion and substitution are needed for orderly growth and development;

"(3) the proposed uses of the converted and substituted land are for the benefit of the public and in accordance with the applicable comprehensive plan for the urban area; and

"(4) any profits received as a result of such conversion are applied to the Urban Parkland Heritage program.

#### "LABOR STANDARDS

"SEC. 707. (a) The Corporation shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of grants under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended. The Corporation shall not approve any such grant without first obtaining adequate assurance that these labor standards will be maintained upon the construction work.

"(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 1332-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

#### "MAINTENANCE OF EFFORT

"SEC. 708. No grant or loan shall be made to any State or local public body in any fiscal year unless the State or local public body makes assurances to the Corporation that the amount available for expenditure by such State or local public body from non-Federal sources for the purposes described in section 704(a)(1) (A) and (B) in that fiscal year will not be less than the amount expended for such purposes from non-Federal sources during the preceding fiscal year.

#### "CONTRACT AUTHORITY

"SEC. 709. To finance grants and loans under this title, the Corporation is authorized to incur obligations on behalf of the United States in amounts aggregating not to exceed \$5,000,000,000. This amount shall become available for obligation on July 1, 1973, and shall remain available until obligated. There are authorized to be appropriated for the liquidation of the obligations incurred under this section not to exceed \$1,000,000,000 prior to July 1, 1974, not to exceed an aggregate of \$2,000,000,000 prior to July 1, 1975, not to exceed an aggregate of \$3,000,000,000 prior to July 1, 1976, not to exceed an aggregate of \$4,000,000,000 prior to July 1, 1977, and not to exceed an aggregate of \$5,000,000,000 prior to July 1, 1978. Sums so appropriated shall remain available until expended."

#### HOUSE JUDICIARY SUBCOMMITTEE NO. 3 TO SCHEDULE HEARINGS ON NEWSMEN'S PRIVILEGE LEGISLATION AT EARLIEST POSSIBLE DATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER), is recognized for 10 minutes.

Mr. KASTENMEIER. Mr. Speaker, I am announcing my intentions to resume at the earliest possible date hearings before my Judiciary Subcommittee relevant to legislation that would establish a privilege for newsmen to refuse to disclose information or the source of information

received by them in the course of news-gathering. Events occurring since my subcommittee first convened hearings into this matter in September and October 1972 have made more urgent the need for legislation designed to protect our free press from the unbridled subpoena powers of overzealous prosecutors and other governmental bodies. I plan to make this important constitutional issue the first order of subcommittee business after the subcommittee is constituted, and I am hopeful that hearings can be scheduled as early as the last week in January.

These hearings will continue to investigate what has often been called the free press-fair trial controversy. While the Constitution, on the one hand, guarantees the press the freedom to gather and report the news unencumbered by governmental restraint, the Constitution also provides, on the other hand, that the judicial and legislative branches of Government have the right to elicit information from citizens that will get at the truth of matters under dispute. Last year, the Supreme Court heard arguments on these conflicting rights, and delivered an opinion in *Branzburg v. Hayes*, 40 U.S. L.W. 5025 (U.S. June 29, 1972) that seems to have tipped the scales dramatically in favor of the judicial system's right to compel testimony from those who gather and report the news.

In the wake of this Supreme Court decision have come a number of actions which are viewed with particular alarm by those who see the free press as the very touchstone of a free and democratic society. For one thing, there is growing apprehension among the news gathering professionals over their ability to perform for the public investigative reporting into Government and other national institutions. There is growing evidence that a newsmen's inability to protect his information source from disclosure has resulted in the loss of some stories. The press also seems to be reporting a substantially greater number of subpoenas asking newsmen to reveal confidential news sources and information. And finally, the Supreme Court decision seems to have become a clear signal to judges at all levels not only to issue more subpoenas, but also to jail summarily newsmen who fail to respond to the subpoena.

Paul M. Branzburg, for example, was a defendant in the Supreme Court test case, and now faces a 6-month jail sentence should he ever return to the State of Kentucky. Peter J. Bridge, a reporter for the now defunct Newark Evening News, spent considerable time in jail for refusing to reveal to a grand jury the source of a news story. John Lawrence, Los Angeles Times Washington bureau chief, recently spent several hours in jail for failure to turn over to a judge confidential notes and tapes gathered from a potential witness in the Wategate case. He narrowly avoided spending Christmas in prison when the news source consented to release of the confidential material. William T. Farr, a former reporter for the Los Angeles Herald Examiner, refused to tell the judge in the Charles Manson murder case the source of a statement made by a witness in that

case. His refusal to name his news source has resulted in his imprisonment, virtually solitary confinement, in a Los Angeles County jail since November 27, 1972. He remains in jail today, and other newsmen face similar prospects.

Before the rash of subpoenas and imprisonments started, House Judiciary Subcommittee No. 3, consistent with the Supreme Court Justices' invitation to correct through legislation the "evil discerned," began hearings on the question September 21. Subsequently, hearings were held on September 27 and 28, and October 4 and 5. Numerous witnesses, including representatives from the Department of Justice, and many professional news organizations, appeared and testified. Under consideration were 20 bills cosponsored by some 60 House Members.

With the sole exception of the Justice Department representative, the witnesses heard thus far have indicated strong support for legislation to grant either an absolute or a qualified privilege to newsmen. The main difficulty facing those who advocate absolute privilege is that of reconciling such privilege with potentially conflicting rights granted criminal defendants under the fifth and sixth amendments of our Constitution. However, if the privilege is qualified, even to a limited degree, there is a great risk that the well-intended advocates of such a measure will have done more to stifle the free press in this country than if nothing at all were done legislatively.

It is to this delicate constitutional balancing act that I invite comment and advice. I plan to announce specific dates for the hearings soon.

#### THE MEMORIAL SERVICE FOR FORMER HOUSE LEADER HALE BOGGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 15 minutes.

Mr. McFALL. Mr. Speaker, on January 4, along with 70 of our colleagues, we attended memorial services for our great friend and fellow House leader, Hale Boggs.

The occasion was certainly one of the most beautiful that I have ever attended. The theme was not one of sorrow but of hope, and many of those in attendance remarked that they were truly inspired by the service.

In order to share the experience with those who were unable to attend, I would like to take this opportunity to include in the RECORD the remarks of Archbishop Philip M. Hannan, of New Orleans, and those of the Speaker, the Honorable CARL ALBERT:

#### ARCHBISHOP HANNAN'S HOMILY

"I came that they may have life and have it more abundantly" (John 10:10).

These words of Christ, describing His mission in life, inspired the life of the humble servant of Christ, Hale Boggs. He chose to follow His Savior as a public servant, the spokesman for his fellow citizens in seeking a better life for them and our country. His

life was totally dedicated to his family and to the House of Representatives in his service to his constituents. In the words of his extremely beloved wife, "He had a lifelong love affair with the House." As everyone knows, she and his family were his first love and the source of his strength and success in the House on Capitol Hill. His love and life in the House of Representatives reflected his life in his home, his abiding and proud love of Lindy and his family. To them we extend our deepest feelings of sympathy and condolence. To them we also express our gratitude. As the family is the basic unity of society and this nation, the family life of Hale in his parents' home and then in his home with Lindy and their children was a notable contribution to the life of the nation. Their family life vindicated the American way of life.

In expressing our sympathy to his family, we include all those who were so devoted to him that they consider Hale to be a member of their family, especially his exceptional staff and totally devoted supporters. Hale loved people. He believed in people. He had a charisma for communicating that love and respect for all peoples. To Hale, nobody was ordinary; consequently, he felt equally at home with people everywhere, whether it was in the White House, the Irish Channel, Uptown New Orleans, or the West Bank. That spirit of identity was best expressed possibly by an incident that occurred in Barataria, one of our unique communities that give Louisiana its distinctive charm. Although some prominent citizens had worked hard on a costly development project for that area, and Hale had worked very hard with them to secure the funds, they unexpectedly informed him that they decided to drop the project. Hale was very surprised and naturally asked why they had changed their minds. Their leader replied, "We like you, Hale, and want you as our Representative. But this big development might bring in some people who wouldn't like you as we do. So we would rather just forget the development."

A unique tribute that reflects as much credit on those who conferred it as on the recipient. That incident illustrates the personal trust in Hale that resulted in his election to the House when he was only 25 years old. After three years of service in the Navy, during World War II, he returned to the House in 1946, and served there to the present time. His election by his Democratic colleagues as Majority Leader in 1971 was evidence of the fact that his colleagues shared the esteem for him of his Louisiana constituents.

Hale's devotion to the House was the measure of his respect for the dignity of his fellow man. Consequently, he had a towering regard for the office of those who were elected to positions of eminent authority by the people. He saw them as deputies using the authority whose final source is God. Typical of this attitude was his respect for the office of President, Vice President, and Speaker of the House. I remember frequently seeing him attend Mass at old St. Patrick's Church on Tenth Street in Washington when I was pastor there. In his usual cordial fashion Hale would always say a friendly "Hello" to the priest, but if the former Speaker, John McCormack, was outside the Church, Hale would invariably tread his way over to pay his respects to the Speaker, always taking off his hat before shaking his hand, regardless of the weather.

This respect for the dignity of every man, typified by his respect for the elected authority, led him to support with indomitable courage legislation that benefited the community in almost every aspect of life. His zeal and vision are evident throughout, not only his district, but the whole national community. That vision and courage were

nowhere more evident than in the matter of civil rights.

Before he cast his vote on a hotly debated civil rights bill, he said simply that he had consulted his conscience, had talked with Lindy and his family and would act according to his convictions. He voted his conscience, however hard the consequences.

Hale's political campaigns were authentic expressions of his convictions, expressing substance not sensation. He always said in his rich and deep-toned voice, "I always try to favor the things that bring people together, not those that divide them." He believed in this principle, whether it applied to neighborhoods or nations. Thus he was willing to go to Peking or anywhere else at the President's request in the cause of peace based on freedom and justice. He believed in the community of man who needs bread but cannot live on bread alone.

During one campaign he said that he got his campaign slogan once from reading the Sunday leaflet printed in this cathedral. After Mass, he went to see the Pastor, Father Nick, and gave him a donation for supplying him with his campaign slogan. This is no hint for those present today and we have no copyright on the Mass leaflets, nor on this sermon.

Hale was deeply aware, by his unusual acumen and his conscience, of the dilemma and contradictions in our age of wonderful technology—an age of Apollo voyages which we unstintingly praise, television by satellite, heart transplants, instantaneous communications. We have reached the moon but we have not yet reached our neighbor. We have probed the moon's surface but we have not sufficiently probed the heart of man. Dr. Carl Jung, the eminent psychiatrist, said years ago, "It is easier to reach the moon and Mars than it is to get inside the human being." Science, employed to serve man, has caused tensions and inequalities.

Hale recognized these contradictions and problems of our times. He not only knew them; he felt them. He knew that the only means of resolving contradictions and bringing unity was an over-arching charity that could touch all men. His convictions were expressed in his zeal to push legislation that would make everyone feel our common charity and concern. He knew that a nation is composed of men and that the measure of a country is not the height of the Dow-Jones average but the height of every man's dignity and self-pride.

This is not to say that he did not appreciate the talents and efforts of those who produce our technology and our wealth. He recognized, in his own life of stewardship, that the concept of stewardship involves a difference in talents. But he recognized that those talents, granted by the Creator, were to be used for the Creator's purpose.

Hale was a man of deep compassion and courage. Mindful of the human condition, he always tried to work out a solution even for seemingly impossible problems knowing that dealing on a person-to-person basis is more effective than dealing only with documents. He believed that change, even drastic change, could be effected by evolution rather than revolution. Hale believed that a Congressman was not elected to elicit harsh judgments but to effect change. He sought always, even in the midst of debate, that attitude expressed by a philosopher, "I hope that I will always be for each man what he needs me to be . . . I hope that my love for those whom I like will never lessen my love for those whom I do not. I hope that another man's love for me will never be a measure of my love for him" ("In the Stillness Is the Dancing," p. 62).

Always buoyant, always optimistic, his steady faith in God, his spirit of hope and constant charity will gain him we pray, the Presence of the God he humbly tried to serve. He saw suffering and he tried to relieve

it; he saw poverty and he tried to cure it; he saw the image of God in every man and he sought to honor it; he saw the vision of a more abundant life for all and he strove to effect it. To such a man of faith apply the words of the Sacred Liturgy which he so often heard and prayed, "For to your faithful, O Lord, life is changed not taken away; and this earthly abode being dissolved, a worthy habitation is prepared in heaven."

#### HALE BOGGS EULOGY

(Delivered by Speaker CARL ALBERT, St. Louis Cathedral, New Orleans, La., January 4, 1973)

We have come here today—to this historic Cathedral in the city that Hale Boggs so deeply loved—to honor the memory of a friend, a great public servant, and a remarkable man.

No words of ours, and certainly no eulogy of mine, can pay proper tribute to this great American. The real tributes to Hale are the private and personal memories that will remain keen and vivid in our minds. And those memories of him are as varied and as numerous as his friends who are gathered here today.

The vigorous and powerful personality of Hale Boggs was always filled with life. His zest for living, his compassion for his fellow men, his keen and probing intellect could not help but overflow into the lives of those of us who were fortunate enough to walk through life with him. Within the hearts of each of us lies a treasure of heartfelt sentiments stemming from our recollections of the impact his life had on us.

If Hale Boggs—the individual—cast a giant shadow, so did his nearly three decades of distinguished service in the United States House of Representatives. He deeply loved the House—where the esteem, respect and love in which he was held by all Members, regardless of politics, have never been surpassed in the history of that great institution.

He enjoyed its political life to the utmost and enriched its history immensely. Drawing his strength from the daily trials and vigors of Congressional life, he was a master strategist, a brilliant debater and a great compromiser—in the best sense of that word. His gregarious nature—his charm and ready wit—complemented his intelligence and persuasive use of power.

His rare ability to transform the most fiery, divisive issues into rational discussion bridged many factional chasms.

He had his finger on the pulse of the nation—and as much as any man I have ever known, he could read America's moods and understand its fears and aspirations.

Hale Boggs' compassionate spirit was deeply rooted in his desire to help people. He crusaded to upgrade the lives of the poor, the sick, the downtrodden, and the elderly to insure equality for all Americans.

Hale's disappearance was a grievous loss not only to the House of Representatives, but to me personally. He was my right arm. We served together in the Democratic leadership for a full decade. And we served together as colleagues and friends for many years before that. Only my mentors, former Speakers Sam Rayburn and John McCormack, have been as close to me in the conduct of the business of the House of Representatives.

But the story of Hale Boggs is more than one of a great public servant. He fostered one of the finest families I have ever known. The Boggs family has splendidly weathered the storms of political life and of personal grief, setting a strong example for all of us. Hale's good wife, Lindy, is truly a leader. His son, Tommy, and his daughters, Barbara and Corrine, are three of the finest and most decent people I have ever known.

This family provided the key inspiration, understanding and love for the man we

honor. Hale was always extremely proud of his family. They were an active part of his public as well as his private life and they stand tall in his image today.

So Hale Boggs was an exceptional individual—as husband, father, political leader and friend. We would all agree with the journalist who recently said, "He was close to the irreplacable man."

Hale Boggs stood like a towering oak among his fellow men—and his absence, as Edwin Markham said of another great leader, "leaves a lonesome place against the sky."

While we shall long grieve at his loss we shall forever remember his joyful life and give thanks that we could share a portion of it together. I shall feel the warmth of his friendship as long as I live.

#### JOHN FRANK STEVENS (1853-1943): TRANSPORTATION ENGINEERING GIANT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, in the study of interoceanic canal history and problems one of the greatest engineering leaders encountered is John Frank Stevens of West Gardiner, Me., 1853-1943; former Chief Engineer of the Isthmian Canal Commission, 1905-07; and the first official to hold the combined positions of Chairman and Chief Engineer of that Commission, 1907.

The major constructive achievements in the career of this gifted man include:

First. Construction of the Great Northern and other United States and Canadian railroads, 1879-1903;

Second. Discovery of Marias Pass through the Rocky Mountains in Montana, 1889; and Stevens Pass across the Cascade Mountains in Washington, 1890; through which the Great Northern was built and extended to the Pacific;

Third. Design and successful launching of the project for constructing the Panama Canal, 1905-07;

Fourth. Rehabilitation and operation of Russian, Siberian, and Manchurian Railroads, 1917-23.

In his work in the Pacific Northwest, Stevens was a worthy successor to Lewis and Clark, contributing greatly to the settlement of that vast region and the development of its resources. For his work in the design and construction of our Isthmian Canal, he was mainly responsible for the great decision for the high level lake-lock type and is recognized in the history of the Panama Canal as its basic architect. In Russia, Siberia, and Manchuria, at a time of war, revolution and civil strife, he headed what is known as the Stevens Railway Commission for the rehabilitation and operation of the railroads in those tremendous areas. Together, his works in the Pacific Northwest, at Panama, in Russia and the Far East, establish him as a transportation-engineering giant in the commercial development of the Pacific Basin and have been of immeasurable benefit to the peoples of all continents.

After return from the Far East, Stevens was awarded the John Fritz Medal for Great Achievement and in 1927 was elected President of the American Society of Civil Engineers.

In Supplement Three to the Dictionary of American Biography, published in 1972 by Charles Scribner's Sons, there is the first biographical sketch of Stevens in a work of general reference, prepared by Neal FitzSimons, C.E., chairman of the Committee on History of the American Society of Civil Engineers.

Since the death of Stevens in 1943, his major contributions have been increasingly recognized and he is now being sponsored for election to the Hall of Fame for Great Americans, New York University, by the John F. Stevens Hall of Fame Committee at 345 E. 47th St., Suite 1800, New York, N.Y. John M. Budd, former president of the Great Northern and now chairman of finance of the Burlington Northern, is the national chairman.

Because the indicated biographical sketch should be of wide historical interest, I quote it as part of my remarks along with the resolutions of two important professional organizations supporting the election of Stevens:

[From Dictionary of American Biography—Supplement Three]

Stevens, John Frank (April 25, 1853—June 2, 1943), civil engineer and railroad executive, was born near West Gardiner, Maine, the son of John Smith and Harriet Leslie (French) Stevens. He was a direct descendant of Henry and Alice Stevens who emigrated from Cambridge, England to Boston in 1635.

Raised on a small farm, young Stevens attended the local common school. After a course at the nearby Farmington Normal School, he taught for about a year but became discouraged by its routine and decided to take up engineering. In 1872, he found a job on a field crew in Lewiston, and made surveys for mills and industrial canals. A year later, after learning the rudiments of surveying, he went to Minneapolis where he worked as a rodman for the city engineer. By assiduous nightly study, he educated himself further, became an instrument man, and in 1874 was promoted to assistant city engineer. At that time, Minneapolis had about 15,000 people and was growing rapidly. Stevens, however, decided to seek his fortune in railroading, and from 1875 to 1877 he worked as a junior engineer on various railways in Minnesota. He then left for north Texas where, at the age of twenty-two, he was made "Engineer-in-Chief" of the Sabine Pass and Northwestern Railway. Unfortunately, the company failed in less than two years and the young engineer had to accept employment as a trackhand at \$1.10 a day. By the year 1879, Stevens had worked himself up to roadmaster, but in that year the Denver & Rio Grande Railroad was extending their lines into New Mexico and he became one of the many assistant engineers on road location and construction; later specializing in bridge construction. During 1881-2 he returned to the North Central States as an assistant engineer on the Chicago, Milwaukee and St. Paul Railroad working principally in Iowa and then went to work for a contractor building the Canadian Pacific Railroad. Between mid-May and mid-November 1882 almost a thousand miles of line was built West from Winnipeg. The next year, Stevens joined the staff of the Canadian Pacific as a locating engineer. Working mostly in the mountainous province of British Columbia, he rose to the position of Division Engineer before the "Golden Spike" was driven on November 7, 1885. He returned to the United States to a similar position for the Chicago, Milwaukee and St. Paul Railroad, but in December 1886 he left to become the Principal Assistant Engineer for the Duluth, South Shore and Atlantic Railroad. It was for this company that he

first had complete charge of a project from start to finish; initial surveys, line location, construction and test runs of the trains. The line ran for almost 400 miles from Duluth to Sault Ste. Marie through the heavy forests and swamps of the Upper Peninsula of Michigan.

After a brief period with the Spokane Falls and Northern Railway where he gained valuable knowledge of the Northwest, Stevens made perhaps the most important decision of his life; he joined the organization of James J. Hill (1838-1916) q.v. in building an unsubsidized transcontinental railroad along the northernmost route. Stevens was assigned to explore the route west from Havre, Montana. In the bitter cold, over a period of weeks, he sought and, on December 11, 1889, found the now famous Marias Pass which provided the key passage across the Continental Divide. (N.B. In 1925 an heroic-size bronze statue of Stevens was erected at the pass in his honor by the grateful Great Northern Company.)

Next, Stevens was sent to Washington to explore the Columbia River and the Cascades for the final route down the western slopes of the Divide. Near Lake Wenatchee a key pass (now known as Stevens Pass) was located and the final route selected. Construction on the eastern section had begun in 1890 and late in 1891 it began on the western section from Everett, Washington. It was during this period that Stevens attracted Hill's personal attention. He was made Assistant Chief Engineer in 1893, and Chief Engineer in 1895. He served in this capacity until 1903 when he accepted the position of Chief Engineer and later Vice-President of the Chicago, Rock Island and Pacific Railway Company.

During his tenure as the Great Northern's Chief Engineer more than a thousand miles of new line was built and much of the existing system modernized. Perhaps the most famous single project was the Cascade Tunnel, a 2.6 mile rock bore built between 1897 and 1900.

On June 30, 1905 Secretary of War William H. Taft q.v., appointed Stevens Chief Engineer of the Isthmian Canal Commission succeeding John F. Wallace. In February, 1906, he supported the minority opinion in the Report of the Board of Consulting Engineers for the Panama Canal which favored a locked canal over a sea-level canal. President Theodore Roosevelt, q.v., directed that Stevens' plan with locks be adopted and the massive project proceeded under Stevens' direction. He realized that earth-moving operations should receive his greatest personal attention and he organized an extensive system of railroads to transport the soil and rock from the Culebra (now Gaillard) Cut, the inter-oceanic divide. Accepting the theory of the mosquito as the vector for yellow fever and malaria, Stevens became an ardent supporter of Colonel William C. Gorgas in his work of health and sanitation. By the end of 1906, all major decisions had been made and construction was progressing in spite of administrative inertia. Frustrated by delays, Stevens decided to retire from the work and on January 30, 1907, resigned. Notwithstanding his resignation, President Roosevelt, on March 4, appointed him Chairman of the Commission. His successor, Colonel (later, General) G. W. Goethals q.v., was to say, "The Canal is his (Stevens') monument."

Stevens returned to the United States to become Vice-President of the New York, New Haven and Hartford Railroad. However, in the Summer of 1909, he rejoined his old friend, J. J. Hill in a plan to develop a new talent Stevens chose to assist him in his railroad system in the Northwest. Among the undertaking were Ralph Budd as Chief Engineer, and Ralph Modjeski as Bridge Engineer q.v. This project (the Spokane, Portland and Seattle Railway) was, perhaps, as much a legal exercise as a technical chal-

lenge, but it was successfully completed in 1911 when Stevens left to open a private practice in New York City.

In 1917, President Woodrow Wilson appointed Stevens Chairman of the U.S. Railway Commission to Russia with the diplomatic status of Minister Plenipotentiary. Two years later he was made President of the Inter-Allied Technical Board of the Siberian Railways, a post which he held until 1923. During these six years, the collapse of the Czarist government occurred and he was forced to be de facto manager of a vast network of railways which extended throughout Russia, in a milieu of revolution, anarchy and international intrigue. The many foreign decorations he received for his efforts testify to his success.

Stevens' last major consulting project was, coincidentally, a feasibility study for a tunnel at Stevens Pass. The report was completed in 1925 and the New Cascade Tunnel, with its 7.8 mile bore, was constructed between 1926 and 1928. Although in his seventies, Stevens maintained an active life particularly in professional affairs. In 1927, he served as President of the American Society of Civil Engineers.

Retiring to a home at Southern Pines, North Carolina, Stevens gradually relinquished the many responsibilities he had borne so long. But even as late as March, 1936, he visited the Panama Canal.

The number of honors accorded John Stevens is so great as to make their listing impractical, but among them are the following: Honorary doctorates from Bates College (Maine), University of North Carolina, University of Michigan and the Polytechnic Institute of Brooklyn; honorary memberships in the American Society of Civil Engineers and the Franklin Institute; and decorations from the United States, France, China, Japan, and Czechoslovakia.

He married Harriet O'Brien of Boston on January 6, 1876 in Dallas, Texas. They had five children, two of whom died in infancy. When Mr. Stevens died at his home in Southern Pines, he was survived by three sons, Donald F., John F. Jr., and Eugene C. Stevens. His interment was in Boston near his wife who had died in 1917.

About John F. Stevens

[Transactions, American Society of Civil Engineers, Vol. 109 (1944); The National Cyclopaedia of American Biography, Vol. XXXII (1945); Records of American Society of Civil Engineers (written by Stevens); "John Frank Stevens and the Great Northern Railway Company," Drs. Ralph and Muriel Hidy, unpublished manuscript 1969. Private Communication, C. E. Smith, Vice-President, New York, New Haven and Hartford Railroad, 25 April 1969]

Miles P. DuVal, Jr., And the Mountains Will Move, Westport, Conn.: Greenwood Press, 1968.

By John F. Stevens

[A Sketch of the Panama Canal . . . New Haven, Connecticut, 1908; The Relations of Railways to Canals, Philadelphia, 1909, An Engineer's Recollections, McGraw-Hill, New York, 1935, Report of the Board of Consulting Engineers for the Panama Canal, Government Printing Office, Washington, D.C. 1906 (Stevens et al.)]

NEAL FITZSIMONS, C.E.

GORVAS MEMORIAL INSTITUTE OF  
TROPICAL AND PREVENTIVE MEDICINE,  
Washington, D.C.

RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS OF THE GORVAS MEMORIAL INSTITUTE OF TROPICAL AND PREVENTIVE MEDICINE, INC. ON SEPTEMBER 15, 1972

Whereas, the membership of the Gorgas Memorial Institute of Tropical and Preventive Medicine includes eminent authorities

in these fields who are familiar with the history of health and sanitation on the Isthmus of Panama and the dramatic story of constructing the Panama Canal; and

Whereas, the late John Frank Stevens, a native of west Gardiner, Maine, and one of the most distinguished civil engineers in the field of railroad construction in the history of the world, was appointed on June 30, 1905, by President Theodore Roosevelt as Chief Engineer of the Isthmian Canal Commission at a time of grave crisis incident to a yellow fever epidemic; and

Whereas, Chief Engineer Stevens, who had accepted the theory of the mosquito as the chief vector of yellow fever and other tropical diseases, on assuming direction of the Canal project on July 25, 1905, recognized the danger and immediately became an ardent supporter of Chief Health Officer William C. Gorgas in the indispensable work of sanitation on the Isthmus that made the construction of the Panama Canal possible; and

Whereas, while serving as Chief Engineer, 1905-1907, Mr. Stevens developed the high-level-lake and lock plan for the construction of the Canal, brought about its adoption by the President and the Congress; acquired a major part of the plant for construction, formed the permanent engineering organization, and launched the project on the road to successful completion, gaining a place in history as the basic architect of the Panama Canal.

Be it, therefore, resolved, That the Gorgas Memorial Institute of Tropical and Preventive Medicine strongly recommends John Frank Stevens as eminently meriting memorialization in the Hall of Fame for Great Americans at New York University and respectfully commends his election to this great honor in 1973.

AMERICAN SOCIETY OF CIVIL ENGINEERS,  
New York, N.Y.

RESOLUTION

Whereas, John Frank Stevens, Past President of the American Society of Civil Engineers, achieved eminence in the profession of Civil Engineering through his life-long devotion to the planning, design, construction and operation of American railroads and;

Whereas, through his courageous explorations, the first major rail link to the Northwest became a reality and;

Whereas, through his dynamic leadership and engineering skill, the unsuccessful methods to build the Panama Canal were changed into efficient engineering construction procedures thus saving the Canal project from failure and;

Whereas, through his strength of character and managerial skill, he created order from the chaos of the Far Eastern Railroad system, accomplishing this at the request of the United States government although it required great personal sacrifice;

Now be it therefore resolved, That the American Society of Civil Engineers wholeheartedly supports the election of John Frank Stevens to the Hall of Fame for Great Americans.

INTRODUCTION OF LEGISLATION  
TO PROVIDE A 3-YEAR AUTHORIZATION  
FOR CERTAIN REGULATORY AGENCIES

(Mr. BROYHILL of North Carolina asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROYHILL of North Carolina. Mr. Speaker, on the opening day of the 93d Congress I introduced legislation to pro-

vide a 3-year authorization of funds for the following Federal regulatory agencies: Federal Trade Commission, Federal Power Commission, Federal Communications Commission, Interstate Commerce Commission, Federal Aviation Administration, Civil Aeronautics Board, Securities and Exchange Commission, and the Food and Drug Administration.

For some time, I have been deeply concerned about the failure of the Congress to exercise its legislative oversight authority in a number of areas. The various regulatory agencies come readily to mind as examples of congressional abnegation of authority.

These agencies were established by the Congress as independent bodies charged with regulating various aspects of trade and commerce. In reality, however, there has been little or no congressional overview of the job they are doing, the way their authority is exercised, or the direction in which they are moving in the issuance of far-reaching regulations.

Some of the issues which the Congress should explore are whether regulated industries are being treated fairly, whether consumer interests are being protected, whether the public interest is being served, and whether these agencies are following in the intent of the Congress in their day-to-day activities. In this overview, needed amendments to the acts should also be considered.

My bills, which would authorize funds for fiscal years 1974, 1975, and 1976 for the above-mentioned agencies, would insure a greater degree of congressional oversight by controlling the budgets of these agencies. Under present procedures, these agencies present their budget directly to the House Appropriations Committee. The committees with legislative authority over the activities of the regulatory agencies seldom take the opportunity to review their operations. At present, our only legislative contact with these agencies is to amend the enabling legislation to provide them with greater authority than they now possess.

By establishing a 3-year authorization of funds, my bills would permit the Congress to conduct an in-depth study of each regulatory agency every 3 years. The authorizations provided under these bills are based on agency budgets for the current fiscal year, with moderate increases for succeeding years.

An example of the procedure which I am recommending is contained in the bill to establish a Consumer Product Safety Commission, which was enacted into law in the 92d Congress. Under that legislation, which I had a large part in drafting, the Consumer Product Safety Commission will receive a 3-year authorization. After that time, the Commission must come before the Interstate and Foreign Commerce Committee to request an extension of the act, and it is the firm intent of the committee to review the Commission's activities at that time.

It is quite possible that this legislation will need polishing and perfecting before it is enacted into law. I want to state my strong intentions of pursuing this goal in the 93d Congress, and I welcome the help and support of my colleagues in the House of Representatives.

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. STEIGER of Wisconsin, for 15 minutes, today, and to include extraneous matter and charts and tables.

Mr. BELL (at the request of Mr. GERALD R. FORD) to address the House for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. EDWARDS of Alabama), to revise and extend their remarks, and to include extraneous matter:)

Mr. MINSHALL of Ohio, on January 16, for 1 hour.

Mr. MINSHALL of Ohio, on January 29, for 1 hour.

(The following Members (at the request of Mr. OWENS), to revise and extend their remarks, and to include extraneous matter:)

Mr. DRINAN, today, for 30 minutes.

Mr. DENT, today, for 10 minutes.

Mr. ANNUNZIO, today, for 5 minutes.

Mr. ROSTENKOWSKI, today, for 5 minutes.

Mr. GONZALEZ, today, for 5 minutes.

Mr. KASTENMEIER, today, for 10 minutes.

Mr. McFALL, today, for 15 minutes.

Mr. FLOOD, today, for 10 minutes.

Mr. REUSS, on January 11, for 30 minutes.

Mr. RONCALIO of Wyoming, on January 11, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ULLMAN in the body of the RECORD and to include extraneous matter, notwithstanding the fact that it exceeds 32 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$5,440.

Mr. ROUSH in two instances and to include extraneous matter.

Mr. BOLLING, and to include extraneous material.

Mr. BENNETT to revise and extend his remarks, and to include extraneous matter in the body of the RECORD notwithstanding the estimated cost of \$807.50.

Mr. RANDALL, to include extraneous matter relating to editorials in the papers of their district and of Missouri and other leading American newspapers eulogizing former President Harry S Truman.

(The following Members (at the request of Mr. GERALD R. FORD) and to include extraneous matter:)

Mr. RAILSBACH in three instances.

Mr. SHOUP.

Mr. McCLORY in three instances.

Mr. BRAY in three instances.

Mr. CHAMBERLAIN in two instances.

Mr. CARTER.

Mr. ANDERSON of Illinois in three instances.

Mr. HEINZ.

Mr. COLLINS in four instances.

Mr. DON H. CLAUSEN.

Mr. GERALD R. FORD.

## Mr. MILLS of Maryland.

(The following Members (at the request of Mr. OWENS), and to include extraneous matter:)

Mr. MOLLOHAN in three instances.

Mr. CAREY of New York.

Mr. FLOOD.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. DRINAN.

Mr. ANNUNZIO in 10 instances.

Mr. HELSTOSKI in 10 instances.

Mr. CORMAN in 10 instances.

Mr. EVINS of Tennessee in six instances.

Mr. LONG of Maryland in two instances.

Mr. DELLUMS in 10 instances.

Mr. ANDERSON of California in five instances.

Mr. ZABLOCKI in three instances.

Mr. KASTENMEIER.

Mr. DOMINICK V. DANIELS in two instances.

Mr. NICHOLS.

Mr. HAMILTON.

Mr. BYRON in 10 instances.

Mr. FLOOD.

Mr. BINGHAM in two instances.

Mr. RUNNELS.

ADJOURNMENT TO THURSDAY,  
JANUARY 11, 1973

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 13 minutes p.m.), under its previous order, the House adjourned until Thursday, January 11, 1973, 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:

197. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report of receipts and disbursements for surplus, salvage and scrap sales and the sale of lumber and timber products, covering the first quarter of fiscal year 1973, pursuant to section 712 of Public Law 92-570; to the Committee on Appropriations.

198. A letter from the Assistant Secretary of the Air Force (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to improve the opportunity of nurses and medical specialists for appointment and promotion in the Regular Army or Regular Air Force, and authorize their retention beyond the mandatory retirement age; to the Committee on Armed Services.

199. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken for the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

200. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

201. A letter from the Director, Administrative Office of the U.S. Courts, transmitting

two drafts of proposed legislation, one to authorize additional judgeships for the U.S. courts of appeals, and the other to provide for the appointment of additional district judges, and for other purposes; to the Committee on the Judiciary.

202. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to provide for the setting aside of convictions in certain cases and for other purposes; to the Committee on the Judiciary.

203. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Bankruptcy Act to abolish the referees' salary and expense fund, to provide that fees and charges collected by the clerk of a court of bankruptcy in bankruptcy proceedings be paid into the general fund of the Treasury of the United States, to provide salaries and expenses of referees be paid from the general fund of the Treasury, and to eliminate the statutory criteria presently required to be considered by the Judicial Conference in fixing salaries of full-time referees; to the Committee on the Judiciary.

204. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 40b of the Bankruptcy Act (11 U.S.C. 68(b)) to remove the restriction on change of salary of full-time referees; to the Committee on the Judiciary.

205. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 48 of the Bankruptcy Act (11 U.S.C. 76) to increase the maximum compensation allowable to receivers and trustees; to the Committee on the Judiciary.

206. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Bankruptcy Act and the civil service retirement law with respect to the tenure and retirement of referees in bankruptcy; to the Committee on the Judiciary.

207. A letter from the President, National Conference on Citizenship, transmitting the audit of the Conference for the year ended June 30, 1972, pursuant to section 2 of Public Law 88-504; to the Committee on the Judiciary.

208. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the civil service retirement law to increase the retirement benefits of referees in bankruptcy; to the Committee on Post Office and Civil Service.

RECEIVED FROM THE COMPTROLLER GENERAL

209. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office in December, 1972, pursuant to section 234 of Public Law 92-510; to the Committee on Government Operations.

210. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Rural Telephone Bank, Department of Agriculture, for the initial period October 1, 1971, to June 30, 1972, pursuant to 31 U.S.C. 841 (H. Doc. 93-39); to the Committee on Government Operations and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 1469. A bill to provide for more equitable coverage under the emergency unemployment compensation program; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 1470. A bill to incorporate the National River Academy of the United States of America; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 1471. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of Illinois:

H.R. 1472. A bill to prohibit flight in interstate or foreign commerce to avoid prosecution for the killing of a policeman or fireman; to the Committee on the Judiciary.

H.R. 1473. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide benefits to survivors of police officers, firemen, and corrections officers killed in the line of duty, and to police officers, firemen, and corrections officers who are disabled in the line of duty; to the Committee on the Judiciary.

H.R. 1474. A bill to amend section 4063 (a)(5) of the Internal Revenue Code of 1954 to exempt asphalt distributors from the excise tax on motor vehicles, parts, and accessories; to the Committee on Ways and Means.

By Mr. ANNUNZIO:

H.R. 1475. A bill to establish an urban mass transportation trust fund for the purpose of providing more substantial and more assured Federal assistance for urgently needed projects and programs under the Urban Mass Transportation Act of 1964; to the Committee on Public Works.

By Mr. BOLAND:

H.R. 1476. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for grants to cities for improved street lighting; to the Committee on the Judiciary.

H.R. 1477. A bill to provide a procedure for the exercise of congressional and executive powers over the use of any Armed Forces of the United States in military hostilities, and for other purposes; to the Committee on Rules.

By Mr. BOLAND (for himself, Mr. CONTE, Mr. DONOHUE, Mr. FISHER, Mr. MADDEN, and Mr. LEGGETT):

H.R. 1478. A bill to amend the tariff and trade laws of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. PERKINS, Mr. QUIE, Mrs. MINK, Mr. HANSEN of Idaho, Mr. PODELL, Mr. LEGGETT, Mr. MOORHEAD of Pennsylvania, Mr. HICKS, Mr. CORMAN, Mr. ROYBAL, Mr. SYMINGTON, Mr. ALEXANDER, Mr. METCALFE, Mrs. GRASSO, Mr. RANGEL, Mr. SARBANES, Mr. ESCH, Mrs. HANSEN of Washington, Mr. BURKE of Florida, Mr. COUGHLIN, Mr. THOMPSON of New Jersey, Mr. GREEN of Pennsylvania, Mr. BINGHAM, and Mr. WILLIAM D. FORD):

H.R. 1479. A bill to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation on services to those with severe disabilities, and for other purposes; to the Committee on Education and Labor.

By Mr. PERKINS (for himself, Mr. BRADEMAS, Mr. QUIE, Mrs. MINK, Mr. HANSEN of Idaho, Mr. YATRON, Mr. CLEVELAND, Mr. HECHLER of West Virginia, Mr. FORSYTHE, Mr. MOLLOHAN, Mr. HOWARD, Mr. BURTON, Mr. HELSTOSKI, Mr. GONZALEZ, Mr. MOSS, Mr. HARRINGTON, Mr. VIGORITO, Mr. BOLAND, Mr. ROSENTHAL, Mr. JOHNSON of California, Mr. TIERNAN, Mr. RODINO, Mr. FRASER, Mr. FAUNTRY, and Mr. DRINAN):

H.R. 1480. A bill to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes; to the Committee on Education and Labor.

By Mr. BRADEMAS (for himself, Mr. PERKINS, Mr. QUIE, Mrs. MINK, Mr. HANSEN of Idaho, Mr. MEEDS, Mr. PEYSER, Mr. MADDEN, Mr. STEIGER of Wisconsin, Mr. CLAY, Mr. BELL, Mr. BIAGGI, Mr. KEMP, Mr. REID, Mr. HASTINGS, Mr. BADILLO, Mr. DUNCAN, Mr. EDWARDS of California, Mr. HAMMERSCHMIDT, Mr. NICHOLS, Ms. ABZUG, Mr. CARNEY of Ohio, Mr. WYATT, Mr. HOLFIELD, and Mr. LUJAN):

H.R. 1481. A bill to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes; to the Committee on Education and Labor.

By Mr. BRADEMAS (for himself, Mr. PERKINS, Mr. PEYSER, Mr. MEEDS, Mr. KEATING, Mr. CLAY, Mr. KEMP, Mr. BADILLO, Mr. DUNCAN, Mr. BIAGGI, Mr. HEINZ, Mr. DENT, Mr. HAMMERSCHMIDT, Mr. REID, Mr. MADDEN, Mr. CLEVELAND, Mr. EDWARDS of California, Mr. FISH, Mr. CARNEY of Ohio, Mr. RIEGLE, Mr. ANNUNZIO, Mr. BURKE of Florida, Mr. YATRON, Mr. WYATT, and Mr. HOLFIELD):

H.R. 1482. A bill to strengthen and improve the Older Americans Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. BRADEMAS (for himself, Mr. PERKINS, Mr. HICKS, Mr. REES, Mr. CORMAN, Mr. ROYBAL, Mrs. GRASSO, Mr. METCALFE, Mr. RANGEL, Mr. STEPHENS, Mr. SARBANES, Mr. ESCH, Mrs. HANSEN of Washington, Mr. YOUNG of Florida, Mr. THOMPSON of New Jersey, Mr. GREEN of Pennsylvania, Mr. BINGHAM, Mr. BOLAND, Ms. ABZUG, Mr. NEDZI, Mr. GUDE, Mr. HUNGATE, Mr. MOSHER, Mr. FLOWERS, and Mr. SYMINGTON):

H.R. 1483. A bill to strengthen and improve the Older Americans Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. BRADEMAS (for himself, Mr. PERKINS, Mrs. MINK, Mr. FRASER, Mr. KASTENMEIER, Mr. HECHLER of West Virginia, Mr. WOLFF, Mr. JONES of North Carolina, Mr. HARRINGTON, Mr. NIX, Mr. HELSTOSKI, Mr. GONZALEZ, Mr. MOSS, Mr. ROSENTHAL, Mr. PEPPER, Mr. JOHNSON of California, Mr. TIERNAN, Mr. RODINO, Mr. MOLLOHAN, Mr. FAUNTRY, Mr. DRINAN, Mr. PODELL, Mr. MURPHY of New York, Mr. MOORHEAD of Pennsylvania, and Mr. BURTON):

H.R. 1484. A bill to strengthen and improve the Older Americans Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. BROOMFIELD (for himself, Mr. BROWN of Michigan, Mr. CEDERBERG, Mr. DIGGS, Mr. DINGELE, Mr. WILLIAM D. FORD, Mr. HARVEY, Mr. NEDZI, and Mr. RIEGLE):

H.R. 1485. A bill to amend title 18 of the United States Code, to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a State, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMINICK V. DANIELS (for himself and Mr. PEYSER):

H.R. 1486. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. DANIELSON:

H.R. 1487. A bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the

United States, and for other purposes; to the Committee on Foreign Affairs.

H.R. 1488. A bill to establish an Office of Consumer Affairs in the Executive Office of the President and a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. DENHOLM:

H.R. 1489. A bill to amend the Soil Conservation and Domestic Allotment Act and the Water Bank Act; to the Committee on Agriculture.

By Mr. ECKHARDT (for himself, Mr. BURTON, Mr. CONYERS, Mr. DENT, Mr. DELLUMS, Mr. HELSTOSKI, Mr. MITCHELL of Maryland, Mr. REES, Mr. TIERNAN, Miss JORDAN, Mr. MOSS, and Mr. CHARLES WILSON of Texas):

H.R. 1490. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, and for other purposes; to the Committee on Education and Labor.

By Mr. FISHER:

H.R. 1491. A bill to amend title 10 of the United States Code, to provide that certain additional amounts received by retired servicemen employed in the Junior Reserve Officers' Training Corps shall be treated as subsistence or uniform allowances or as amounts received as commutation of quarters; to the Committee on Armed Services.

By Mr. FRASER (for himself, Ms. ABZUG, Mr. ALEXANDER, Mr. BADILLO, Mr. BOLAND, Mr. BRADEMAS, Mr. BRASCO, Mr. BUCHANAN, Mr. BURKE of Massachusetts, Mr. CARNEY of Ohio, Mr. CLARK, Mr. CONTE, Mr. DRINAN, Mr. EDWARDS of California, Mr. EILBERG, Mr. FLOWERS, Mr. WILLIAM D. FORD, Mr. FORSYTHE, Mr. GUDE, Mr. HAMILTON, Mr. JONES of North Carolina, Mr. KOCH, Mr. MEEDS, Mr. MORGAN, Mr. NEDZI, and Mr. OBEY):

H.R. 1492. A bill to amend title 38 of the United States Code, to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. FRASER (for himself, Mr. ADDABO, Mr. BEVILL, Mr. DENHOLM, Mr. DUNCAN, Mr. ESCH, Mr. EVINS of Tennessee, Mr. FISH, Mr. FUQUA, Mr. GREEN of Pennsylvania, Mr. HECHLER of West Virginia, Mr. McDADE, Mr. PODELL, Mr. PEPPER, Mr. PREYER, Mr. RARICK, Mr. REUSS, Mr. ROE, Mr. ROSENTHAL, Mr. SARBANES, Mr. JAMES V. STANTON, Mr. STEELE, Mr. TIERNAN, Mr. WALDIE, and Mr. CHARLES H. WILSON of California):

H.R. 1493. A bill to amend title 38 of the United States Code, to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. FREY:

H.R. 1494. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands located in the State of Florida to the record owner or owners of such lands; to the Committee on Interior and Insular Affairs.

H.R. 1495. A bill to amend the act incorporating the Veterans of World War I of the United States of America; to the Committee on the Judiciary.

H.R. 1496. A bill to establish a structure that will provide integrated knowledge and understanding of the ecological, social, and technological problems associated with air pollution, water pollution, solid waste disposal, general pollution, and degradation of the environment, and other related prob-

lems; to the Committee on Science and Astronautics.

H.R. 1497. A bill to amend title 18, United States Code, to promote public confidence in the legislative branch of the Government of the United States by requiring the disclosure by Members of Congress and certain employees of the Congress of certain financial interests; to the Committee on Standards of Official Conduct.

H.R. 1498. A bill to amend section 121 of the Internal Revenue Code of 1954 to provide that the exclusion from gross income of gain on the sale of a principal residence held for more than 5 years provided by that section will be available without regard to the age of the taxpayer; to the Committee on Ways and Means.

H.R. 1499. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for depreciation on capital expenditures incurred in connecting residential sewerlines to municipal sewage systems; to the Committee on Ways and Means.

H.R. 1500. A bill to provide for orderly trade in fresh fruits and vegetables, and for other purposes; to the Committee on Ways and Means.

By Mrs. GRIFFITHS:

H.R. 1501. A bill to amend titles 10 and 37, United States Code, to provide for equality of treatment for military personnel in the application of dependency criteria; to the Committee on Armed Services.

H.R. 1502. A bill to amend title 5, United States Code, to provide for equality of treatment with respect to married women Federal employees in connection with compensation for work injuries, and for other purposes; to the Committee on Education and Labor.

H.R. 1503. A bill to provide equality of treatment for married women employees of the Federal Government under the Foreign Service Act of 1946; to the Committee on Foreign Affairs.

H.R. 1504. A bill to provide for hospitals to allow the biological father to attend the birth of his child if the woman consents; to the Committee on Interstate and Foreign Commerce.

H.R. 1505. A bill to amend title 38 of the United States Code, to provide that monthly social security benefit payments shall not be considered as income in determining eligibility for pensions under that title; to the Committee on Veterans' Affairs.

H.R. 1506. A bill to amend the Social Security Act to provide that every citizen and resident of the United States shall have a social security number; to the Committee on Ways and Means.

H.R. 1507. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record, to eliminate the special dependency requirement for entitlement to husband's or widower's benefits, to provide for the payment of benefits to widowed fathers with minor children, and to make the retirement test inapplicable to individuals with minor children who are entitled to mother's or father's benefits; to the Committee on Ways and Means.

H.R. 1508. A bill to amend the Internal Revenue Code of 1954 to provide reasonable and necessary income tax incentives to encourage the utilization of recycled solid waste materials and to offset existing income tax advantages which promote depletion of virgin natural resources; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 1509. A bill to authorize an appropriation for a bridge on a Federal dam; to the Committee on Public Works.

H.R. 1510. A bill to amend title 38, United States Code, to increase the amount payable for burial and funeral expenses; to the Committee on Veterans' Affairs.

By Mr. DINGELL (for himself, Mr. ASHLEY, Mr. BINGHAM, Mr. CLEVELAND, Mr. ROYBAL, Mr. FRENZEL, Mr. MICHEL, Ms. ABZUG, Mr. BIESTER, and Mr. SEIBERLING):

H.R. 1511. A bill to provide for the conservation, protection, and propagation of species or subspecies of fish and wildlife that are threatened with extinction or likely within the foreseeable future to become threatened with extinction, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. EDWARDS of Alabama:

H.R. 1512. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to members of the uniformed services, and for other purposes; to the Committee on Armed Services.

H.R. 1513. A bill to amend title XI of the National Housing Act to authorize mortgage insurance for the construction or rehabilitation of medical practice facilities in certain areas where there is a shortage of doctors; to the Committee on Banking and Currency.

H.R. 1514. A bill to amend the Legislative Reorganization Act of 1946 to provide for annual reports to the Congress by the Comptroller General concerning certain price increases in Government contracts and certain failures to meet Government contract completion dates; to the Committee on Government Operations.

H.R. 1515. A bill to repeal section 5532 of title 5, United States Code, relating to reductions in the retired or retirement pay of retired officers of regular components of the uniformed services who are employed in civilian offices or positions in the Government of the United States; to the Committee on Post Office and Civil Service.

By Mr. FISHER (for himself, Mr. ALEXANDER, Mr. ARCHER, Mr. BLACKBURN, Mr. BURLESON of Texas, Mr. CAMP, Mr. COLLINS, Mr. DENHOLM, Mr. DUNCAN, Mr. EVINS of Tennessee, Mr. FREY, Mr. GOODLING, Mr. HAMMERSCHMIDT, Mr. JONES of North Carolina, Mr. MATHIS of Georgia, Mr. MONTGOMERY, Mr. POAGE, Mr. RARICK, Mr. SIKES, Mr. SPENCE, Mr. STEIGER of Arizona, Mr. WAGGONNER, Mr. ZWACH, Mr. W. C. (DAN) DANIEL, Mr. CLEVELAND, and Mr. WHITEHURST):

H.R. 1516. A bill to amend the Occupational Safety and Health Act of 1970 to exempt any nonmanufacturing business, or any business having 25 or less employees, in States having laws regulating safety in such businesses, from the Federal standards created under such act; to the Committee on Education and Labor.

By Mr. FLOOD:

H.R. 1517. A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HANLEY:

H.R. 1518. A bill to amend title 10 of the United States Code, to provide a more equitable standard for awarding the gold star lapel button; to the Committee on Armed Services.

H.R. 1519. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

Mr. HELSTOSKI:

H.R. 1520. A bill to amend the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to recognize the difference in hazards to employees be-

tween the heavy construction industry and the light residential construction industry; to the Committee on Education and Labor.

H.R. 1521. A bill to strengthen and improve the Older Americans Act of 1965; to the Committee on Education and Labor.

H.R. 1522. A bill to provide financial assistance for the construction and operation of senior citizens' community centers, and for other purposes; to the Committee on Education and Labor.

H.R. 1523. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to permit the disposal of surplus personal property to State and local governments, Indian groups under Federal supervision, and volunteer firefighting and rescue organizations at 50 percent of the estimated fair market value; to the Committee on Government Operations.

H.R. 1524. A bill to establish a Federal program to encourage the voluntary donation of pure and safe blood, to require licensing and inspection of all blood banks, and to establish a national registry of blood donors; to the Committee on Interstate and Foreign Commerce.

H.R. 1525. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on all foods to disclose each of their ingredients; to the Committee on Interstate and Foreign Commerce.

H.R. 1526. A bill to amend the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to prescribe radiation standards for, and conduct regular inspections of, diagnostic and other X-ray systems; to the Committee on Interstate and Foreign Commerce.

H.R. 1527. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that cosmetics containing mercury or any of its compounds bear labeling stating that fact; to the Committee on Interstate and Foreign Commerce.

H.R. 1528. A bill to prohibit common carriers in interstate commerce from charging elderly people more than half fare for their transportation during nonpeak periods of travel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1529. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide benefits to survivors of police officers, firemen, and correction officers killed in the line of duty, and to police officers, firemen, and correction officers who are disabled in the line of duty; to the Committee on the Judiciary.

H.R. 1530. A bill to provide death benefits to survivors of certain public safety and law-enforcement personnel, and public officials concerned with the administration of criminal justice and corrections, and for other purposes; to the Committee on the Judiciary.

H.R. 1531. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a system for the redress of law-enforcement officers' grievances and to establish a law-enforcement officers' bill of rights in each of the several States, and for other purposes; to the Committee on the Judiciary.

H.R. 1532. A bill to improve law enforcement in urban areas by making available funds to improve the effectiveness of police services; to the Committee on the Judiciary.

H.R. 1533. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

H.R. 1534. A bill to provide compensation for totally disabled local firemen or survivors of local firemen killed or disabled while performing their duties in an area of civil disorder; to the Committee on the Judiciary.

H.R. 1535. A bill to amend section 1114 of

title 18 of the United States Code, to make the killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

H.R. 1536. A bill to amend section 8191 of title 5, United States Code, to extend benefits thereunder to officially recognized or designated members of a legally organized volunteer fire department, ambulance team, or rescue squad not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

H.R. 1537. A bill to authorize the Attorney General to provide a group life insurance program for State and local government law enforcement officers; to the Committee on the Judiciary.

H.R. 1538. A bill to provide for the compensation of innocent victims of violent crime in need; to make grants to States for the payment of such compensation; to authorize an insurance program and death and disability benefits for public safety officers; to provide civil remedies for victims of racketeering activity; and for other purposes; to the Committee on the Judiciary.

H.R. 1539. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1540. A bill to amend the Federal Employees Health Benefits Act of 1959 to provide that the entire cost of health benefits under such act shall be paid by the Government; to the Committee on Post Office and Civil Service.

H.R. 1541. A bill to amend the Civil Service Retirement Act to authorize the retirement of employees after 25 years of service without reductions in annuity; to the Committee on Post Office and Civil Service.

H.R. 1542. A bill to amend title 38 of the United States Code, to require pay differentials for nurses in Veterans' Administration hospitals who perform evening, night, weekend, holiday, or overtime duty and to authorize payment for standby or on-call time, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1543. 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.

H.R. 1544. A bill to amend title 38 of the United States Code, to provide improved medical care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; to the Committee on Veterans' Affairs.

H.R. 1545. A bill to amend title 38 of the United States Code, so as to provide that monthly social security benefit payments and annuity and pension payments under the Railroad Retirement Act of 1937 shall not be included as income for the purpose of determining eligibility for a veteran's or widow's pension; to the Committee on Veterans' Affairs.

H.R. 1546. A bill to provide for the conversion of Servicemen's Group Life Insurance to Veterans' Group Life Insurance, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1547. A bill to order the construction of a Veterans' Administration hospital in the southern area of New Jersey; to the Committee on Veterans' Affairs.

H.R. 1548. A bill to amend title 38 of the United States Code, in order to establish a national cemetery system within the Vet-

erans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1549. A bill to provide for the expansion of the Beverly National Cemetery in or near Beverly, Burlington County, N.J.; to the committee on Veterans' Affairs.

By Mr. HELSTOSKI (by request):

H.R. 1550. A bill to provide a pension for veterans of World War I and their widows; to the Committee on Veterans' Affairs.

By Mr. HELSTOSKI:

H.R. 1551. A bill to create a national system of health security; to the Committee on Ways and Means.

H.R. 1552. A bill to provide additional protection for the rights of participants in employee pension and profit-sharing-retirement plans, to establish minimum standards for pension and profit-sharing-retirement plan vesting and funding, to establish a pension plan reinsurance program, to provide for portability of pension credits, to provide for regulation of the administration of pension and other employee benefit plans, to establish a U.S. Pension and Employee Benefit Plan Commission, to amend the Welfare and Pension Plans Disclosure Act, and for other purposes; to the Committee on Ways and Means.

H.R. 1553. A bill to amend the Social Security Act to provide for the payment (from the old-age and survivors insurance trust fund) of special allowances to help elderly low-income persons and families to meet their housing costs; to the Committee on Ways and Means.

H.R. 1554. A bill to amend title II of the Social Security Act to provide in certain cases for an exchange of credits between the old-age, survivors, and disability insurance system and the civil service retirement system so as to enable individuals who have some coverage under both systems to obtain maximum benefits based on their combined service; to the Committee on Ways and Means.

H.R. 1555. A bill to amend title II of the Social Security Act to increase to \$3,000 the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title; to the Committee on Ways and Means.

H.R. 1556. A bill to allow a credit against Federal income tax or payment from the U.S. Treasury for State and local real property taxes on an equivalent portion of rent paid on their residences by individuals who have attained age 62; to the Committee on Ways and Means.

H.R. 1557. A bill to amend the Internal Revenue Code of 1954 to provide that the personal exemption allowed a taxpayer for a dependent shall be available without regard to the dependent's income in the case of a dependent who is over 65 (the same as in the case of a dependent who is a child under 19); to the Committee on Ways and Means.

H.R. 1558. A bill to amend the Internal Revenue Code of 1954 to permit the full deduction of medical expenses incurred for the care of individuals of 65 years of age and over, without regard to the 3-percent and 1-percent floors; to the Committee on Ways and Means.

H.R. 1559. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first \$5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 1560. A bill to amend the Internal Revenue Code of 1954 to provide that the first \$5,000 received as civil service retirement annuity from the United States or any agency thereof shall be excluded from gross income; to the Committee on Ways and Means.

H.R. 1561. A bill to amend the Internal Revenue Code of 1954 to provide that the first \$5,000 of compensation paid to law enforcement officers shall not be subject to the income tax; to the Committee on Ways and Means.

H.R. 1562. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

H.R. 1563. A bill to prohibit the sale or importation of eyeglass frames or sunglasses made of cellulose nitrate or other flammable materials; to the Committee on Ways and Means.

By Mr. HOSMER:

H.R. 1564. A bill to amend section 1086 of title 10, United States Code, to permit a retired member of the uniformed services the right to elect whether he will receive health benefits under such section or under part A of title XVIII of the Social Security Act when he qualifies for benefits under both; to the Committee on Armed Services.

H.R. 1565. A bill to amend title 10, United States Code, to restore the system of recompensation of retired pay for certain members and former members of the Armed Forces; to the Committee on Armed Services.

By Mr. HOWARD:

H.R. 1566. A bill establishing under the Secretary of Agriculture, a 5-year research program seeking to control the gypsy moth, and for other purposes; to the Committee on Agriculture.

H.R. 1567. A bill to amend title 10 of the United States Code, to change the age limitation on eligibility for the Reserve Officers' Training Corps financial assistance program so as to take into account active service previously performed by students; to the Committee on Armed Services.

H.R. 1568. A bill to authorize the Secretary of Transportation to carry out a special program of transportation research and development utilizing the unique experience and manpower of the airframe and defense industries, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1569. A bill to establish an independent agency to be known as the U.S. Office of Utility Consumers' Counsel to represent the consumers of the Nation before Federal and State regulatory agencies with respect to matters pertaining to certain electric, gas, telephone, and telegraph utilities; to provide grants and other Federal assistance to State and local governments for the establishment and operation of utility consumers' counsels; to improve methods for obtaining and disseminating information with respect to the operations of utility companies of interest to the Federal Government and other consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1570. A bill to promote research and development of drugs or chemical compounds for use in the cure, prevention, or treatment of heroin addiction; to the Committee on Interstate and Foreign Commerce.

H.R. 1571. A bill to provide for the establishment of a Metropolitan Drug Addiction Commission to coordinate and make more effective in the New York metropolitan area the various Federal, State, and local programs for the control, treatment, and prevention of drug addiction; to the Committee on Interstate and Foreign Commerce.

H.R. 1572. A bill to prohibit flight in interstate or foreign commerce to avoid prosecution for the killing of a policeman or fireman; to the Committee on the Judiciary.

H.R. 1573. A bill to amend title 18 of the United States Code, to permit the mailing of lottery tickets and related matter, the broadcasting or televising of lottery information, and the transportation and advertis-

ing of lottery tickets in interstate commerce, but only where the lottery is conducted by a State agency; to the Committee on the Judiciary.

H.R. 1574. A bill for the relief of Soviet Jews; to the Committee on the Judiciary.

H.R. 1575. A bill to amend title 18, United States Code, to strengthen and clarify the law prohibiting the introduction, or manufacture for introduction, of switchblade knives into interstate commerce; to the Committee on the Judiciary.

H.R. 1576. A bill to extend the contiguous fisheries zone of the United States to a distance of 197 miles seaward of the territorial sea; to the Committee on Merchant Marine and Fisheries.

H.R. 1577. A bill to provide compensation to U.S. commercial fishing vessel owners for damages incurred by them as a result of an action of a vessel operated by a foreign government or a citizen of a foreign government; to the Committee on Merchant Marine and Fisheries.

H.R. 1578. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1579. A bill to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy; to the Committee on Post Office and Civil Service.

H.R. 1580. A bill to amend section 5545 of title 5, United States Code, to provide additional pay for certain hazardous duties performed by Federal employees; to the Committee on Post Office and Civil Service.

H.R. 1581. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 per centum of the cost of shore restoration and protection projects; to the Committee on Public Works.

H.R. 1582. A bill to authorize a program to develop and demonstrate low-cost means of preventing shoreline erosion; to the Committee on Public Works.

H.R. 1583. A bill to create the Office of Water Disposal Research and Development in the Department of the Interior; to the Committee on Public Works.

H.R. 1584. A bill to require the President to notify the Congress whenever he impounds funds or authorizes the impounding of funds, and to provide a procedure under which the House of Representatives and the Senate may approve the President's action or require the President to cease such action; to the Committee on Rules.

H.R. 1585. A bill to authorize the National Science Foundation to conduct research and educational programs to prepare the country for conversion from defense to civilian, socially oriented research and development activities, and for other purposes; to the Committee on Science and Astronautics.

H.R. 1586. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined effort; to the Committee on Ways and Means.

H.R. 1587. A bill to amend the Internal Revenue Code of 1954 to provide relief to certain individuals 65 years of age and over who own or rent their homes, through a system of income tax credits and refunds; to the Committee on Ways and Means.

H.R. 1588. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such

housing; to the Committee on Ways and Means.

H.R. 1589. A bill to amend title XVIII of the Social Security Act so as to include, among the health insurance benefits covered under part B thereof, coverage of certain drugs; to the Committee on Ways and Means.

H.R. 1590. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for employers who employ members of the hard-core unemployed; to the Committee on Ways and Means.

H.R. 1591. A bill to amend section 883 of the Internal Revenue Code of 1954 with respect to exemption from taxation of earnings of ships under foreign flag; to the Committee on Ways and Means.

H.R. 1592. A bill to provide for the establishment of an Institute on Retirement Income which shall conduct studies and make recommendations designed to enable retired individuals to enjoy an adequate retirement income; to the Committee on Ways and Means.

By Mr. HUNT (for himself and Mr. DEVINE):

H.R. 1593. A bill to amend the Social Security Act to prohibit the payment of aid or assistance under approved State public assistance plans to aliens who are illegally within the United States; to the Committee on Ways and Means.

By Mr. ICHORD (for himself, Mr. ARCHER, Mr. BAFALIS, Mr. BAKER, Mr. BRAY, Mr. BURLESON of Texas, Mr. CLANCY, Mr. CLARK, Mr. FISHER, Mr. GOODLING, Mr. GROSS, Mr. KING, Mr. MOLLOHAN, Mr. RARICK, and Mr. SCHERLE):

H.R. 1594. A bill to amend section 4 of the Internal Security Act of 1950; to the Committee on Internal Security.

By Mr. ICHORD (for himself, Mr. QUILLEN, Mr. WAGGONNER, Mr. PREYER, and Mr. ASHBRICK):

H.R. 1595. A bill to amend the Internal Security Act of 1950 to authorize the Federal Government to institute measures for the protection of defense production and of classified information released to industry against acts of subversion, and for other purposes; to the Committee on Internal Security.

By Mr. JOHNSON of California:

H.R. 1596. A bill to provide for the establishment of a national historic park on the island of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KASTENMEIER:

H.R. 1597. A bill to amend certain Federal law relating to the interception of wire and oral communications; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. CONYERS, Mr. DRINAN, Mr. RAILSBACH, Mr. BIESTER, Mr. FISH, and Mr. COUGHLIN):

H.R. 1598. A bill to establish an independent and regionalized Federal Board of Parole, to provide for fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI (for himself and Mr. MICHEL):

H.R. 1599. A bill to amend the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LENT:

H.R. 1600. A bill to extend daylight saving time to the entire calendar year; to the Committee on Interstate and Foreign Commerce.

By Mr. MATSUNAGA:

H.R. 1601. A bill to provide for an inquiry committee to assist in settling a strike or lockout which imperils or threatens to imperil the health or safety of any substantial geographic sector of the United States; to the Committee on Education and Labor.

By Mr. OWENS:

H.R. 1602. A bill to establish the Lone Peak Wilderness Area in the State of Utah; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H.R. 1603. A bill to provide for the cooperation between the Federal Government and the States with respect to environmental regulations for mining operations, for the prevention, control, and abatement of water pollution, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1604. A bill to authorize appropriations for construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

H.R. 1605. A bill to impose a tax on the severance of oil, gas, and coal, and to return the proceeds of such tax to the counties from which such oil, gas, or coal was taken; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 1606. A bill to authorize the Secretary of Agriculture to reimburse owners of equines and accredited veterinarians for certain expenses of vaccinations incurred for protection against Venezuelan equine encephalomyelitis; to the Committee on Agriculture.

H.R. 1607. A bill to permit the donation of surplus agricultural commodities to certain nonprofit organizations serving American servicemen; to the Committee on Agriculture.

By Mr. QUILLEN:

H.R. 1608. A bill to authorize equalization of the retired or retainer pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 1609. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1610. A bill to amend title 38 of the United States Code, so as to provide that monthly social security benefit payments and annuity and pension payments under the Railroad Retirement Act of 1937 shall not be included as income for the purpose of determining eligibility for a veteran's or widow's pension; to the Committee on Veterans' Affairs.

H.R. 1611. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

H.R. 1612. A bill to amend title II of the Social Security Act to increase widow's insurance benefits to 100 percent of the insured individual's primary insurance amount, and to provide that such benefits shall be payable at age 50, without actuarial reduction and without regard to disability, in the case of a widow who is otherwise qualified therefor; to the Committee on Ways and Means.

H.R. 1613. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1614. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

By Mr. RARICK:

H.R. 1615. A bill to amend section 5 of the United Nations Participation Act of 1945 to require approval by the Congress of orders, rules, and regulations issued by the President to implement certain decisions of the Security Council of the United Nations; to the Committee on Foreign Affairs.

H.R. 1616. A bill to amend section 620 of the Foreign Assistance Act of 1961 to suspend, in whole or in part, economic and military assistance and certain sales to any country

which fails to take appropriate steps to prevent narcotic drugs produced or processed, in whole or in part, in such country from entering the United States unlawfully, and for other purposes; to the Committee on Foreign Affairs.

H.R. 1617. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1618. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 1619. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 1620. A bill to amend the Civil Rights Act of 1964 by adding a new title, which restores to local school boards their constitutional power to administer the public schools committed to their charge, confers on parents the right to choose the public schools their children attend, secures to children the right to attend the public schools chosen by their parents, and makes effective the right of public school administrators and teachers to serve in the schools in which they contract to serve; to the Committee on the Judiciary.

H.R. 1621. A bill to repeal the Civil Rights Act of 1964; to the Committee on the Judiciary.

H.R. 1622. A bill to repeal the Civil Rights Act of 1968; to the Committee on the Judiciary.

H.R. 1623. A bill to repeal the Voting Rights Act of 1965; to the Committee on the Judiciary.

H.R. 1624. A bill to amend chapter 44 of title 18, United States Code, to exempt ammunition from Federal regulation under the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1625. A bill to amend the Office of Education Appropriations Act, 1971, to make the assistance of U.S. marshals available to local authorities for the maintenance of order where plans of desegregation are being carried out in public elementary and secondary schools; to the Committee on the Judiciary.

H.R. 1626. A bill to amend the Judiciary and Judicial Procedure Act of 1948; to the Committee on the Judiciary.

H.R. 1627. A bill to provide that the appointment of law clerks to Justices of the Supreme Court shall be confirmed by the Senate and the House of Representatives; to the Committee on the Judiciary.

H.R. 1628. A bill to amend title 5 of the United States Code, with respect to the observance of Memorial Day and Veterans' Day; to the Committee on the Judiciary.

H.R. 1629. A bill to amend title 13, United States Code, to limit the categories of questions required to be answered under penalty of law in the decennial censuses of population, unemployment, and housing, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1630. A bill to provide increased annuities under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

H.R. 1631. A bill to amend title 38 of the United States Code, so as to provide that hospital and medical care shall be provided under such title to any veteran of any war; to the Committee on Veterans' Affairs.

H.R. 1632. A bill to amend title 38 of the United States Code, to provide, in certain instances, up to 18 months of additional educational assistance for graduate or professional study; to the Committee on Veterans' Affairs.

H.R. 1633. A bill to amend title 38, United States Code, in order to apply to disabled veterans of the Vietnam era the same standards of eligibility for automobiles and adaptive equipment as are applied with respect to disabled veterans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

H.R. 1634. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

H.R. 1635. A bill to amend title II of the Social Security Act to provide that farmers may drop out an additional 2 years of low earnings in the computation of their benefits under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

H.R. 1636. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

H.R. 1637. A bill to provide for a refund of all or part of the social security taxes paid by a deceased individual whenever there is no other person who is or could become entitled to benefits on his wage record, if the total of any benefits theretofore paid on such wage record is less than the total of such taxes; to the Committee on Ways and Means.

H.R. 1638. A bill to amend the Internal Revenue Code of 1954 to provide that retired individuals having annual gross income of \$10,000 or less will not have to file Federal income tax returns; to the Committee on Ways and Means.

H.R. 1639. A bill to amend the Internal Revenue Code of 1954 to add social security benefits to the annuity and pension payments which are exempt from levy thereunder; to the Committee on Ways and Means.

H.R. 1640. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for social security taxes paid by employees and by the self-employed; to the Committee on Ways and Means.

H.R. 1641. A bill to amend the Internal Revenue Code of 1954 to exempt wages of certain seasonal employees from withholding; to the Committee on Ways and Means.

H.R. 1642. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax retirement benefits received under a public retirement system; to the Committee on Ways and Means.

H.R. 1643. A bill to amend the Internal Revenue Code of 1954, as amended, to help small businesses by providing a corporate tax exemption on the first \$100,000 of taxable income; to the Committee on Ways and Means.

H.R. 1644. A bill to amend the Internal Revenue Code of 1954 to provide that tax-exempt organizations which engage in activities of carrying on propaganda, or otherwise attempting to influence legislation, shall lose their exemption from tax; to the Committee on Ways and Means.

H.R. 1645. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for motor vehicle insurance premiums; to the Committee on Ways and Means.

H.R. 1646. A bill to amend title 38 of the United States Code, to liberalize the provisions relating to payment of disability and death pension; to the Committee on Veterans' Affairs.

By Mr. ROBISON of New York:

H.R. 1647. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 1648. A bill to amend title VII of the Housing Act of 1961 to establish an Urban Parkland Heritage Corp. to provide funds for

the acquisition and operation of open-space land, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROSTENKOWSKI (for himself, Mr. LANDRUM, and Mr. BROYHILL of Virginia):

H.R. 1649. A bill to amend certain provisions of the Internal Revenue Code of 1954 relating to distilled spirits, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. ANNUNZIO, Mr. BELL, Mr. BINGHAM, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRAZER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PETTIS):

H.R. 1650. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on all foods to disclose each of their ingredients; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. RYAN, Mr. SEIBERLING, Mr. SMITH of Iowa, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. PRITCHARD, Mr. REID, Mr. KOCH, and Mr. SARBAKES):

H.R. 1651. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on all foods to disclose each of their ingredients; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. ANNUNZIO, Mr. BELL, Mr. BINGHAM, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRAZER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, and Mr. PETTIS):

H.R. 1652. A bill to require that certain processed or packaged consumer products be labeled with certain information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PODELL, Mr. PRICE of Illinois, Mr. PRITCHARD, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. RYAN, Mr. SEIBERLING, Mr. SMITH of Iowa, Mr. THOMPSON of New Jersey, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1653. A bill to require that certain processed or packaged consumer products be labeled with certain information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. ANNUNZIO, Mr. BELL, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRAZER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, and Mr. PETTIS):

H.R. 1654. A bill to amend the Fair Packaging and Labeling Act to require certain labeling to assist the consumer in purchases of packaged perishable or semiperishable foods; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PODELL, Mr. PRICE of Illinois, Mr.

RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. RYAN, Mr. SEIBERLING, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. WOLFF, Mr. ADDABO, Mr. REID, and Mr. SARBAKES):

H.R. 1655. A bill to amend the Fair Packaging and Labeling Act to require certain labeling to assist the consumer in purchases of packaged perishable or semiperishable foods; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. BINGHAM, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRAZER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PODELL, and Mr. PRICE of Illinois):

H.R. 1656. A bill to provide for the development of a uniform system of quality grades for consumer food products; to the Committee on Agriculture.

By Mr. ROSENTHAL (for himself, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. RYAN, Mr. SEIBERLING, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1657. A bill to provide for the development of a uniform system of quality grades for consumer food products; to the Committee on Agriculture.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRAZER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, and Mr. PETTIS):

H.R. 1658. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on certain package goods to contain the name and place of business of the manufacturer, packer, and distributor; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. RYAN, Mr. SEIBERLING, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1659. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on certain package goods to contain the name and place of business of the manufacturer, packer, and distributor; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. BINGHAM, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRAZER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, and Mr. PODELL):

H.R. 1660. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of unit prices of packaged consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PRICE of Illinois, Mr. RANGEL, Mr.

RODINO, Mr. RYAN, Mr. SEIBERLING, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. REID, and Mr. SARBAKES):

H.R. 1661. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of unit retail prices of packaged consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. ANNUNZIO, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, and Mr. KOCH):

H.R. 1662. A bill to amend the Economic Stabilization Act of 1970, to stabilize the retail prices of meat for a period of 45 days at the November 1972 retail levels, and to require the President to submit to the Congress a plan for insuring an adequate meat supply for U.S. consumers, reasonable meat prices, and a fair return on invested capital to farmers, food processors, and food retailers; to the Committee on Banking and Currency.

By Mr. ROSENTHAL (for himself, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. RODINO, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1663. A bill to amend the Economic Stabilization Act of 1970, to stabilize the retail prices of meat for a period of 45 days at the November 1972 retail levels, and to require the President to submit to the Congress a plan for insuring an adequate meat supply for U.S. consumers, reasonable meat prices, and a fair return on invested capital to farmers, food processors, and food retailers; to the Committee on Banking and Currency.

By Mr. ROSENTHAL (for himself, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. FRASER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KOCH, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PODELL, Mr. PRICE of Illinois, Mr. PRITCHARD, and Mr. RANGEL):

H.R. 1664. A bill to repeal the meat quota provisions of Public Law 88-482; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. REUSS, Mr. RODINO, Mr. ROYBAL, Mr. SEIBERLING, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1665. A bill to repeal the meat quota provisions of Public Law 88-482; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRASER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PETTIS, and Mr. PODELL):

H.R. 1666. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PRICE of Illinois, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. STUDDS, Mr.

THOMPSON of New Jersey, Mr. TIERNAN, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1667. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRASER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KARTH, Mr. KASTENMEIER, Mr. KOCH, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, and Mr. PETTIS):

H.R. 1668. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. SEIBERLING, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1669. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. FRASER, Mr. GIBBONS, Mr. GREEN of Pennsylvania, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, and Mr. KASTENMEIER):

H.R. 1670. A bill to amend the Federal Trade Commission Act to make sales promotion games unfair methods of competition; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. MITCHELL of Maryland, Mr. PEPPER, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. RODINO, Mr. ROYBAL, Mr. THOMPSON of New Jersey, Mr. REID, and Mr. SARBAKES):

H.R. 1671. A bill to amend the Federal Trade Commission Act to make sales promotion games unfair methods of competition; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. BELL, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. CONYERS, Mr. DULSKI, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. FRASER, Mr. GIBBONS, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. KASTENMEIER, and Mr. KOCH):

H.R. 1672. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; to the Committee on Government Operations.

By Mr. ROSENTHAL (for himself, Mr. LEGGETT, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PETTIS, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. WOLFF, Mr. REID, and Mr. SARBAKES):

H.R. 1673. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships be-

tween the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; to the Committee on Government Operations.

By Mr. ROUSH:

H.R. 1674. A bill to amend the act entitled "An act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes," approved November 5, 1966; to the Committee on Interior and Insular Affairs.

H.R. 1675. A bill to provide Federal assistance to State and local governments for the purposes of developing and improving communication procedures and facilities with respect to the prompt and efficient dispatch of police, fire, rescue, and other emergency services; to the Committee on the Judiciary.

H.R. 1676. A bill to establish an Office for Federal Technology Transfer; to the Committee on Science and Astronautics.

By Mr. RUNNELS:

H.R. 1677. A bill to authorize the Secretary of the Interior to make water available for a minimum recreation pool in Elephant Butte Reservoir from the San Juan-Chama unit of the Colorado River storage project; to the Committee on Interior and Insular Affairs.

By Mr. RUPPE:

H.R. 1678. A bill to provide for payments to compensate county governments for the tax immunity of Federal lands within their boundaries; to the Committee on Interior and Insular Affairs.

H.R. 1679. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers in the State of Michigan for potential additions to the national wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

H.R. 1680. A bill to require no-fault motor vehicle insurance as a condition precedent to using the public streets, roads, and highways in order to promote and regulate interstate commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 1681. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for investments in certain economically lagging regions; to the Committee on Ways and Means.

H.R. 1682. A bill to provide additional protection for the rights of participants in employee pension and profit-sharing-retirement plans, to establish minimum standards for pension and profit-sharing-retirement plan vesting and funding, to establish a pension plan reinsurance program, to provide for portability of pension credits, to provide for regulation of the administration of pension and other employee benefit plans, to establish a U.S. Pension and Employee Benefit Plan Commission, to amend the Welfare and Pension Plans Disclosure Act, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHERLE:

H.R. 1683. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research; to the Committee on Agriculture.

H.R. 1684. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more than once each quarter; to the Committee on Ways and Means.

By Mr. SHOUP:

H.R. 1685. A bill to require States to pass along to public assistance recipients who are entitled to social security benefits the 1972 increase in such benefits, either by disregarding it in determining their need for assistance or otherwise; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 1686. A bill to provide for the appoint-

ment of two additional district judges for the western district of Wisconsin; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 1687. A bill to establish policy and principles for planning and evaluating flood control, navigation, and other water resource projects and the use of the water and related land resources of the United States and setting forth guidance for the benefit-cost determinations of all agencies therein involved; to the Committee on Public Works.

By Mr. ZABLOCKI:

H.R. 1688. A bill to amend title II of the Social Security Act to provide that benefits (when based upon the attainment of retirement age) will be payable to both men and women at age 60, subject to the existing actuarial reduction, and that individuals with 30 years' coverage may retire at age 62 with full benefits; to the Committee on Ways and Means.

By Mr. ZWACH:

H.R. 1689. A bill to provide a 2-cents-a-gallon tax reduction on gasoline sold for use in highway vehicles where the gasoline contains cereal grain alcohol as a substitute for lead; to the Committee on Ways and Means.

By Mr. CASEY of Texas:

H.J. Res. 141. Joint resolution proposing an amendment to the Constitution of the United States to insure the rights of parents and local school authorities to determine which school the children in that locality will attend; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.J. Res. 142. Joint resolution to establish a national policy relating to conversion to the metric system in the United States; to the Committee on Science and Astronautics.

By Mr. HANLEY:

H.J. Res. 143. Joint resolution proposing an amendment to the Constitution of the United States providing that the term of office of Members of the U.S. House of Representatives shall be 4 years; to the Committee on the Judiciary.

By Mr. HOWARD:

H.J. Res. 144. Joint resolution expressing the sense of the Congress with respect to the foreign economic policy of the United States in connection with its relations with the Soviet Union and any other country which uses arbitrary and discriminatory methods to limit the right of emigration, and for other purposes; to the Committee on Foreign Affairs.

H.J. Res. 145. Joint resolution to establish a Joint Committee on Environment and Technology; to the Committee on Rules.

By Mr. OWENS:

H.J. Res. 146. Joint resolution to direct the Secretary of Agriculture to conduct an investigation and study of existing and potential methods of providing livestock and poultry insurance; to the Committee on Agriculture.

By Mr. RARICK:

H.J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States redefining the advice and consent of the Senate, for purposes of the President's treaty-making power, so that two-thirds of the full Senate and House of Representatives must concur; to the Committee on the Judiciary.

H.J. Res. 148. Joint resolution proposing an amendment to the Constitution of the United States requiring the advice and consent of the House of Representatives in the making of treaties; to the Committee on the Judiciary.

H.J. Res. 149. Joint resolution proposing an amendment to the Constitution of the United States to provide that appointments of judges to the Supreme Court and judges to all other Federal courts, as established under section 1 of article III, be reconfirmed every 6 years by the Senate and to require 5 years' prior judicial experience as a qualification

for appointment to said offices; to the Committee on the Judiciary.

H.J. Res. 150. Joint resolution proposing an amendment to the Constitution of the United States relating to employment of subversives in defense facilities; to the Committee on the Judiciary.

H.J. Res. 151. Joint resolution proposing an amendment to the Constitution of the United States relating to the freedom of choice; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.J. Res. 152. Joint resolution proposing an amendment to the Constitution of the United States to insure the rights of parents and local school authorities to determine which school the children in that locality will attend; to the Committee on the Judiciary.

By Mr. RUNNELS:

H.J. Res. 153. Joint resolution to establish a Joint Committee on the Federal Budget; to the Committee on Rules.

By Mr. STRATTTON:

H.J. Res. 154. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of President and Vice President; to the Committee on the Judiciary.

By Mr. VANIK:

H.J. Res. 155. Joint resolution proposing an amendment to the Constitution of the United States regarding the election of the President and Vice President and the nomination of candidates for the Presidency; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.J. Res. 45. Concurrent resolution expressing the sense of the Congress with respect to the restrictive emigration policies of the Soviet Union and its trade relations with the United States; to the Committee on Foreign Affairs.

By Mr. ANNUNZIO:

H.J. Res. 46. Concurrent resolution expressing the sense of the Congress that the President, acting through the U.S. Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization; to the Committee on Foreign Affairs.

By Mr. EDWARDS of Alabama:

H.J. Res. 47. Concurrent resolution expressing the sense of the Congress with respect to the accounting and return of all American prisoners in Southeast Asia; to the Committee on Foreign Affairs.

By Mr. FLOOD:

H.J. Res. 48. Concurrent Resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine; to the Committee on Foreign Affairs.

By Mr. DERWINSKI:

H.J. Res. 49. Concurrent Resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine; to the Committee on Foreign Affairs.

By Mr. FREY:

H.J. Res. 50. Concurrent resolution expressing the sense of the Congress with respect to an adequate accounting for all American prisoners of war, and all Americans missing in action, as a result of the hostilities in Indochina; to the Committee on Foreign Affairs.

H.J. Res. 51. Concurrent resolution to require a court impact statement in each report of legislation from a committee of either House of Congress to that House; to the Committee on Rules.

By Mr. HOWARD:

H.J. Res. 52. Concurrent resolution expressing the sense of the Congress with respect to an international conference on the creation of an International Environmental Agency; to the Committee on Foreign Affairs.

H.J. Res. 53. Concurrent resolution calling for the humane treatment and release of American prisoners of war held by North

Vietnam and the National Liberation Front; to the Committee on Foreign Affairs.

H.J. Res. 54. Concurrent resolution to relieve the suppression of Soviet Jewry; to the Committee on Foreign Affairs.

H.J. Res. 55. Concurrent resolution authorizing the Joint Committee on the Library to commission a painting of the astronauts first landing on the moon on the ceiling of the Brumidi corridor in the Senate wing of the Capitol; to the Committee on House Administration.

H.J. Res. 56. Concurrent resolution expressing the sense of Congress with respect to the New York City commuter tax; to the Committee on the Judiciary.

By Mr. QUIE:

H.J. Res. 57. Concurrent resolution providing for the printing of the First National Report of Project Baseline; to the Committee on House Administration.

By Mr. RARICK:

H.J. Res. 58. Concurrent resolution expressing the sense of Congress that the Holy Crown of Saint Stephen should remain in the safekeeping of the U.S. Government until Hungary once again functions as a constitutional government established by the Hungarian people through free choice; to the Committee on Foreign Affairs.

By Mr. ROUSH:

H.J. Res. 59. Concurrent resolution that it is the sense of Congress that the United States and the various political entities thereof should adopt 911 as the nationwide, uniform, emergency telephone number; to the Committee on Interstate and Foreign Commerce.

By Ms. ABZUG:

H.J. Res. 104. Resolution establishing the Special Committee on the Termination of the National Emergency and authorizing expenditures thereby; to the Committee on Rules.

By Mr. BROTZMAN (for himself, Mr. DINGELL, Mr. KARTH, Mr. ROE, Mrs. HANSEN of Washington, and Mr. STOKES):

H.J. Res. 105. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on the Environment; to the Committee on Rules.

By Mr. FLOOD:

H.J. Res. 106. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mr. DERWINSKI:

H.J. Res. 107. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mrs. GRIFFITHS:

H.J. Res. 108. Resolution providing for investigations and studies by standing committees of the House of Representatives to ascertain and identify those areas in which differences in treatment or application, on the basis of sex, exist in connection with the administration and operation of those provisions of law under their respective jurisdictions, and for other purposes; to the Committee on Rules.

H.J. Res. 109. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

By Mr. HELSTOSKI:

H.J. Res. 110. Resolution relative to the Federal telecommunications system service; to the Committee on Veterans' Affairs.

By Mr. KLUCZYNSKI:

H.J. Res. 111. Resolution creating a select committee to be known as the Select Committee on the House Restaurant; to the Committee on Rules.

By Mr. RARICK:

H.J. Res. 112. Resolution relative to the commitment of U.S. Armed Forces; to the Committee on Foreign Affairs.

By Mr. RODINO:

H.J. Res. 113. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H.R. 1690. A bill for the relief of Farmers Chemical Association, Inc.; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 1691. A bill for the relief of John C. Garand; to the Committee on the Judiciary.

H.R. 1692. A bill for the relief of Donald P. Lariviere; to the Committee on the Judiciary.

H.R. 1693. A bill for the relief of Luigi Santaniello; to the Committee on the Judiciary.

By Mr. BURLISON of Missouri:

H.R. 1694. A bill for the relief of Ossie Emmons and others; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1695. A bill for the relief of Leon Z. Dimapilis; to the Committee on the Judiciary.

H.R. 1696. A bill for the relief of Sun Hwa Koo Kim; to the Committee on the Judiciary.

H.R. 1697. A bill for the relief of Giuseppe Orlando; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 1698. A bill for the relief of Natividad Cris Lacsusong; to the Committee on the Judiciary.

By Mr. FREY:

H.R. 1699. A bill to direct the Secretary of the Interior to convey to William H. Munting phosphate interests of the United States in certain real property located in

the State of Florida; to the Committee on Interior and Insular Affairs.

H.R. 1700. A bill for the relief of Maria Francisca Bieira; to the Committee on the Judiciary.

H.R. 1701. A bill for the relief of Lucia S. David; to the Committee on the Judiciary.

H.R. 1702. A bill for the relief of Robert G. Pitman, Jr.; to the Committee on the Judiciary.

H.R. 1703. A bill for the relief of Teresa Ryan; to the Committee on the Judiciary.

By Mr. HANLEY:

H.R. 1704. A bill for the relief of the Rescue Mission Alliance of Syracuse; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 1705. A bill for the relief of Patrice J. Bergoeing; to the Committee on the Judiciary.

H.R. 1706. A bill for the relief of Mr. and Mrs. Alejandro de la Cruz Gonzalez Donoso; to the Committee on the Judiciary.

H.R. 1707. A bill for the relief of Amalia Lopez; to the Committee on the Judiciary.

H.R. 1708. A bill for the relief of Juan Carlos Lopez; to the Committee on the Judiciary.

H.R. 1709. A bill for the relief of Mr. and Mrs. Herman H. Molina and two minor children; to the Committee on the Judiciary.

H.R. 1710. A bill for the relief of Mr. and Mrs. Mario Petrone; to the Committee on the Judiciary.

H.R. 1711. A bill for the relief of Mr. and Mrs. Raul Jose Rojas and minor child; to the Committee on the Judiciary.

H.R. 1712. A bill for the relief of Raymond Szytenczel; to the Committee on the Judiciary.

H.R. 1713. A bill for the relief of Mr. and Mrs. Osvaldo Aguirre Rivera and three minor children; to the Committee on the Judiciary.

By Mr. HELSTOSKI (by request):

H.R. 1714. A bill for the relief of Kazimierz Bielecki; to the Committee on the Judiciary.

By Mr. ROBISON of New York:

H.R. 1715. A bill for the relief of Cpl. Paul C. Amedeo, U.S. Marine Corps Reserve; to the Committee on the Judiciary.

H.R. 1716. A bill for the relief of Jean Albertha Service Gordon; to the Committee on the Judiciary.

By Mr. STRATTON:

H.R. 1717. A bill to authorize the President to appoint Vice Adm. Hyman G. Rickover, U.S. Navy-Retired, to the grade of admiral on the retired list; to the Committee on Armed Services.

By Mr. ZABLOCKI:

H.R. 1718. A bill for the relief of Mrs. Patricia Bukowski and Mr. John Juras; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

18. By the SPEAKER: Petition of 27 members of the Wisconsin State Assembly, Madison, Wis., relative to the war in Southeast Asia; to the Committee on Foreign Affairs.

19. Also, petition of the 1972 National Convention of the American Legion, relative to the House Committee on Internal Security; to the Committee on Internal Security.

## SENATE—Tuesday, January 9, 1973

The Senate met at 12 o'clock meridian and was called to order by the President pro tempore (Mr. EASTLAND).

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, whose kingdom is above all earthly kingdoms and who judges all lesser sovereignties, look with pity and forgiveness upon this Nation Thou hast given us for our heritage. Forgive us for having left undone the things we ought to have done and for doing the things we ought not to have done. Deliver us from the national pride, the moral arrogance, and the self-will which obstruct the making of a world of justice, peace, and righteousness. Give us the character to be worthy of the peace for which we wearily long and earnestly strive. Grant us the wisdom, courage, and strength needful for our times.

Thankful for blessing through many generations, give us grace now to walk humbly with Thee, seeking only to love Thee with our whole heart and soul and mind and our neighbor as ourself; and to labor for the coming kingdom whose builder and maker Thou art.

In His name who taught us to pray "Thy kingdom come—Thy will be done, on earth, as it is in heaven." Amen.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Saturday, January 6, 1973, be dispensed with.

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

## ATTENDANCE OF SENATORS

Hon. WARREN G. MAGNUSON, a Senator from the State of Washington, and Hon. JOSEPH R. BIDEN, JR., a Senator from the State of Delaware, attended the session of the Senate today.

## ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the two orders for the recognition of Senators today, there be a period for the transaction of routine morning business for not to exceed 30 minutes with statements therein limited to 3 minutes.

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

## ORDER FOR ADJOURNMENT TO THURSDAY, JANUARY 11, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 12 o'clock meridian on Thursday next.

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

## AUTHORIZATION FOR MAJORITY AND MINORITY LEADERS, OR THEIR DESIGNEES, TO SPEAK FOR 5 MINUTES INSTEAD OF 3

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, during the

remainder of the first session of the 93d Congress, immediately following the prayer and disposition of the reading of the Journal each day, the distinguished majority leader and the distinguished Republican leader, or their designees, each be recognized for not to exceed 5 minutes.

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

Mr. ROBERT C. BYRD. Mr. President, by way of explanation, may I say that this request has not been cleared either with the distinguished Republican leader or the distinguished majority leader. I want to make it clear that they are not requesting it, but I think that from time to time we have noted that the distinguished leaders really require more than the usual 3 minutes, and I think it only fitting that each of them should be accorded 5 minutes each—rather than 3 minutes before the Senate proceeds with special orders, morning business, and so forth.

## ORDER FOR RECOGNITION OF SENATOR MOSS ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Thursday next, immediately following the recognition of the two leaders or their designees, the distinguished Senator from Utah (Mr. Moss) be recognized for not to exceed 15 minutes.

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

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated