gestion at this stage in the hope that it may stimulate new thinking on ways to promote a more effective transatlantic dialogue.

Beyond these new arrangements for communication at the political level, there is an urgent need for a better communication between policymaking groups on both sides of the Atlantic—legislators, businessmen, trade union leaders and scholars. Such meetings could do much to correct misconceptions on both sides and rebuild a transatlantic consensus. I would hope that such a project would find financial support from foundations and other private sources in the countries concerned.

As the recent report of the OECD study group headed by Jean Rey observed, the increasing "interpenetration" of national economies necessitates "active coordination between the partners in the world economy." At the vital center of the world economy are the European Community and the United States. Let us delay no longer in shaping new arrangements to manage our mutual interdependence.

QUORUM CALL

Mr. HUGHES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUGHES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 o'clock meridian. After the two leaders or their designees have been recognized under the standing order, there will be a period for transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes. No rollcall votes are expected tomorrow, and when the Senate adjourns on tomorrow, it will go over until 12 o'clock meridian on Tuesday next.

ADJOURNMENT

Mr. HUGHES. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until tomorrow.

The motion was agreed to; and, at 1:30 p.m., the Senate adjourned until Friday, January, 12, 1973, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 11, 1973:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Lyle S. Garlock, of Virginia, to be a member of the Foreign Claims Settlement Commission of the United States for the term of 3 years from October 22, 1972, to which office he was appointed during the last recess of the Senate.

NEW ENGLAND REGIONAL COMMISSION

Russell Field Merriman, of Vermont, to be Federal Cochairman of the New England Regional Commission, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF STATE

Richard T. Davies, of Wyoming, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland, to which office he was appointed during the last recess of the Senate.

Cleo A. Noel, Jr., of Missouri, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan, to which office he was appointed during the last recess of the Senate.

Melvin L. Manfull, of Utah, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of Amercia to Liberia, to which office he was appointed during the last recess of the Senate.

CORPORATION FOR PUBLIC BROADCASTING

Irving Kristol, of New York, to be a member of the Board of Directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1976, to which office he was appointed during the last recess of the Senate.

NATIONAL LABOR RELATIONS BOARD

John Harold Fanning, of Rhode Island, to be a member of the National Labor Relations Board for the term of 5 years expiring December 16, 1977, to which office he was appointed during the last recess of the Senate.

IN THE ARMY

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Daniel McLaughlin, xxx-... xxx-xx-x... U.S. Army.

Maj. Gen. George Samuel Blanchard, xxx-... xxx-xx-x... (Army of the United States), brigadier general, U.S. Army.

HOUSE OF REPRESENTATIVES—*Thursday, January 11, 1973*

The House met at 12 o'clock noon.

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

If it be possible, as much as lieth in you, live peacefully with all men.—Romans 12: 18.

Our Father God, who art life and light and love, whose glory surrounds us all our days and whose goodness is ever seeking entrance into our human hearts, we come to Thee in prayer, opening our hearts to the inflow of Thy spirit. With Thee is grace sufficient for every need and in Thy will we can find our way to peace.

Grant that these representatives of our people may be filled with the spirit of wisdom to make wise choices, with the might of moral muscle to do justly, with the love of life to be merciful, and with the fidelity of faithfulness to walk humbly with Thee.

Open our eyes to see the needs of our world and to work to feed the hungry, to heal the brokenhearted, to set at liberty the captives, to bring good tiding to all who sit bowed in the circle of oppression, and to make peace a reality in our day.

In the spirit of the Prince of Peace we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

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

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from New York (Mr. BADILLO) and any other Member-elect who has not been sworn come to the well of the House and take the oath of office.

Mr. BADILLO appeared at the bar of the House and took the oath of office.

DEEP SEABED HARD MINERALS RESOURCES ACT

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

Mr. DOWNING. Mr. Speaker, on the opening day of this Congress I introduced the Deep Seabed Hard Minerals Resources Act (H.R. 9) which will provide for the orderly development of deep sea ocean minerals. This bill is identical to the bill H.R. 13904 which was introduced in the 92d Congress.

The goal we seek to accomplish is to provide for the orderly development of the deep ocean minerals and to provide for security of tenure for ocean miners.

The prospect of realizing deep ocean mining in this decade is no longer illusory but is now almost a reality.

The validity of the above statements can be supported by the intensity and widespread nature of ocean mining development now being carried out by private U.S. companies and by foreign entities often strongly and directly supported by their governments. There has been a high level of activity by three American companies—Deepsea Ventures, Hughes Tool, Kennecott Copper—by a group of 24 companies from Japan, United States, West Germany, and Australia engaged in a test program of ocean mining and by six other major European and Japanese companies involved in the development of mining technology.

Ocean mining has the immediate goal of recovering manganese nodules. The

nodules may be found on many areas of the ocean floor in varying percentages up to several pounds per square foot and in varying assays. The depth at which they can be commercially mined is approximately 15,000 to 18,000 feet and requires very sophisticated mining equipment. The minerals now recoverable in the nodules are manganese, cobalt, nickel, and copper. Of the four minerals to be recovered, three are imported in great quantity in comparison to domestic production.

The Congress is not the only forum concerned with the oceans. Within the United Nations the U.N. Seabed Committee has held meetings to provide for a Law of the Sea Conference called for by President Nixon on May 23, 1970. Unfortunately, the work of the member states has fallen short of the goal and as yet no Law of the Sea Conference has been held and no meaningful progress can be expected for years. Meanwhile, we have one company reportedly preparing to mine in the summer of 1974 and another company having completed all of the pilot stages.

President Nixon wisely recognized these factors in his May 23, 1970, statement. He foresaw the difficulty of agreement and the lengthy nature of the negotiations. He was clearly aware of the swift march of technology and the needs of the world for raw materials. He recognized that the uncertainty introduced by these negotiations put a new burden on those pioneering in the exploitation of the oceans. Therefore, he called for an interim policy.

The sponsors offer this legislation as the answer to the President's interim policy and requests early enactment of the legislation.

WILDLY INACCURATE ACCOUNT NOT CORRECTED BY WALL STREET JOURNAL

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

Mr. WRIGHT. Mr. Speaker, many of us through the years have been outspoken advocates and defenders of the freedom of the press.

It is agonizing and deeply embarrassing to us who earnestly believe in this freedom when we witness the deliberate and artful distortion of events to which we have been close observers by some elements in the press whose freedom we are at pains to defend.

It is particularly galling when a reputable and prestigious newspaper of wide circulation prints a wildly inaccurate account of events to which Congress has been a party and then cavalierly ignores all information offered in good faith to correct the misrepresentations.

Throughout my adult life, I have considered the Wall Street Journal to be a reputable and reliable newspaper. On October 10, however, it featured an article which so gravely distorted the actions, the intent, and the motivations of Congress that I felt honorbound to write to that newspaper on October 17 citing certain factual errors of which I had personal knowledge.

Almost 3 months have passed. Not only have the editors of that newspaper declined thus far to print one word of the corrections, thus covertly perpetuating the inaccuracies of which they had been advised. They have disdained even to give me the courtesy of so much as a perfunctory acknowledgment of the letter I wrote to them.

I am therefore including for printing in the RECORD a copy of my letter of October 17 to the editor of the Wall Street Journal. Unfortunately, since that newspaper receives much larger readership throughout the country than does the CONGRESSIONAL RECORD, many Americans who innocently read the thoroughly erroneous story, denied information to the contrary, will still have no recourse than to believe the misrepresentations. And this is very sad. It leaves the public misinformed, and those maligned with a frustrated and helpless feeling.

Freedom of the press is a precious thing, and many of us will continue to defend it against all invasions. But the press as an institution has some responsibilities. It has a clear responsibility to present a balanced and factual account and at the very least to correct errors when they are called to its attention. I am deeply saddened that a paper with the reputation of the Wall Street Journal is apparently so unmindful of this overriding responsibility and of the rules of common courtesy as well.

OCTOBER 17, 1972.

The EDITOR,
The Wall Street Journal,
New York, N.Y.

DEAR SIR: Your article of October 10 by Albert R. Karr (The Highway Boys Win Another One) was unworthy of the *Wall Street Journal*. It was so obviously biased, so inaccurate, devoid of authority and replete with unsupported aspersions that it makes some long-time readers here in Washington cringe in embarrassment for the *Journal*.

Your reporter apparently was so disappointed in the House action on the highway bill that he felt moved to explain it by attributing bad motives and devious connivery. The article presents the blunt impression that those in Congress who vote to protect the Highway Trust Fund are either (1) antagonistic to mass transit or (2) influenced and dominated by some sinister "highway lobby." This just isn't true.

One faulty representation: "The House members on the (Conference) Committee will be flatly opposed to aiding mass transit." Totally in error.

The truth: House conferees offered to give more money for mass transit than the Senate bill contained, including operating subsidies and flexibility for cities to substitute rails for highways, in advance obligational authority out of General Revenues but not out of the Highway Trust Fund. Five Senators agreed, seven refused. Their primary objective, the latter made clear, was not money for mass transit, but invasion of the Trust Fund.

Another misrepresentation: "On at least two occasions in recent days, the truckers were reported offering campaign contributions checks to members of House committees as key votes approached . . . some of the trucker offers amounted to a couple of thousand dollars at a crack." Not only incorrect but malicious.

The truth: I have taken the trouble to ask members of the Public Works Committee individually if any such offer was made to them. In no case did any such impropriety occur. These members tell me, further, that Mr. Karr did not even bother to check the accuracy of this allegation with them before printing it.

Another unwarranted supposition: ". . . the Rules Committee, prodded by highway lobbyists, . . . ruled that the mass transmit amendment wasn't germane . . . the administration got the House Parliamentarian to agree to overrule the committee . . . the highway men went to work again. The House Parliamentarian was instructed to uphold the point of order." Wrong. It was not that way at all.

The truth: It was not the "highway lobby" but the House rules which rendered the amendment ungermane. Similar amendments had been held out of order in previous years. Proponents of the amendment recognized this fact, tried to get a rule waiving the valid point of order. The House membership turned them down. The ruling against the amendment was made by Acting Speaker Morris Udall, a proponent of mass transit.

As for veteran House Parliamentarian Lew Deschler, he is above all an honorable man, not amenable to pressure from either "administration" or "highway lobbyists." He deserves better treatment than your writer accorded him. He deserves at least an assumption of honesty.

Perhaps there is a place for so-called advocacy journalism which editorializes in the news columns. But it should not extend to representing the reporter's own suspicions as supposedly factual accounts attributed to unnamed "sources" and "observers." Above all, it should not extend to the glib attribution of craven and selfish motives to those who simply disagree with the reporter. The assumption that all who express a differing viewpoint are bound to be charlatans and crooks is, after all, much too juvenile for a newspaper like the *Journal* on which people rely for accurate and balanced news coverage.

Whether rightly or wrongly, many of us very earnestly believe that there are perfectly valid reasons for preserving the Highway Trust Fund intact. Aside from a good faith obligation to the American motorists who pay those road-user taxes for better and safer highways, the economic and social well-being of the country as a whole depends upon our upgrading the nation's highway system. Last year, 55,000 Americans lost their lives in automobile accidents. Safer roads could have saved some of this needless carnage, as demonstrated by the Interstate System which—measured by each million passenger miles traveled—cuts highway fatalities approximately in half.

It is not that we oppose mass transit. Most of us on the Public Works Committee strongly favor it. We see no reason why safe highways and viable mass transit should be euchred into an artificial competition with one another. They should complement one another. The country needs both. We think it can afford both.

If your reporter disagrees with us, that is his privilege. But this really should not give him license to misrepresent our motives or portray us to the nation as a collection of unfeeling rubes and selfish sycophants who let some amorphous "lobby" do our thinking for us. The *Journal* is too good a newspaper for that type of childish reporting.

Sincerely,

JIM WRIGHT.

END THE WAR NOW

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

Mr. BADILLO. Mr. Speaker, it is now apparent to everyone that President Nixon deliberately misled the American people into believing that peace in Vietnam was at hand 3 months ago. It is

apparent that despite Dr. Kissinger's optimism, the critical question of freeing American POW's was not the subject of any form of agreement. And it is apparent that President Nixon is carrying out a campaign of vengeance against North Vietnam because of the political embarrassment he has suffered.

All this simply demonstrates once again the urgent necessity for Congress to end this war. The President will not end it; his goal continues to be military victory. President Thieu apparently will not help to achieve a settlement; his goal is to consolidate his own political power.

In the name of all that is decent and moral, we in Congress must end this war by cutting off entirely and immediately the funds necessary for its prosecution. We must not let the devastation of Vietnam continue. We must not let the military delude us into believing that North Vietnam can be bombed into submission. We must not let one more American lose his life in the name of a senseless military adventure that does not involve our own national security or interest in the slightest.

No better example of the administration's perfidy regarding this war and the prospects for peace could be asked than the admission this week by Defense Secretary Laird that at the time of Dr. Kissinger's optimistic news conference, there was no agreement on POW's with the North Vietnamese. Dr. Kissenger led the American people to believe that an agreement on ending the war was 99 percent completed and that only a few technical details must be ironed out.

As my colleague from New York (Mr. PIKE) put it in questioning Secretary Laird on Monday, if the POW issue was part of the 99 percent, and if the South Vietnamese are able to defend themselves, why is it necessary to bomb North Vietnam with B–52's, F–111's and other aircraft that would not be turned over to South Vietnam when U.S. forces leave?

The answer is that the only reason for the unprecedented and barbaric bombing is that it is the only course the President knows to achieve his goal. He may be attempting to convince North Vietnam that he has absolutely no reservations at all when it comes to the use of military force. But actually he is only convincing everyone that he is dangerous, reckless, and devoid of human concerns.

We can go on bombing and killing and wasting lives and dollars, but unless our goal is to annihilate Vietnam totally, we must understand that there are historical forces at work that will determine the political future of that country after we leave, and those forces have nothing to do with the United States.

It falls to us, the Congress, to choose the responsible course, to pursue those goals that are proper and achievable instead of unleashing our military might in frustration over our inability to achieve goals which could not be achieved and should not have been sought.

HOSPITAL ACCREDITATION AND HOSPITAL PROBLEMS

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

Mr. SAYLOR. Mr. Speaker, after adjournment of the 92d Congress, the Washington Post carried a most interesting and informative series of articles on hospital costs and the operation of hospitals in the District of Columbia. The series, which was in six parts, first appeared on October 29; related articles and editorials were also printed during the same period.

Most of the attention of the series was directed at the Washington Hospital Center, a facility which is fully accredited by the Joint Commission on Accreditation. The Center seems to have completely ignored the alleged existing deficiencies described by the Post, and this hospital is the largest medical installation in the Nation's Capital.

The Members will recall that during the previous Congress—on August 17—I introduced three bills—H.R. 16434, H.R. 16435, and H.R. 16436—which incorporated proposed changes in the accreditation procedures of medical facilities. My remarks at the time appeared in the CONGRESSIONAL RECORD on pages H7934 through H7940.

The series of articles which appeared in the Washington Post after my statement in the 92d Congress, make the legislation more pertinent than ever. I am, therefore, reintroducing these measures in the 93d Congress with the confident expectation they will be acted upon by the appropriate committees of both Houses of the Congress.

The articles follow:

ABUSES PAD COST OF HOSPITAL CENTER CARE

(By Ronald Kessler)

Patient bills at Washington Hospital Center are inflated by a variety of abuses that include conflict-of-interest transactions by trustees and administrators, payments to doctors of profits of the hospital, favoritism, lack of competitive bidding, and free care to the rich, a Washington Post investigation has found.

Many of the conflict-of-interest transactions involve some of Washington's largest banks and businesses. The transactions include:

Establishment by the hospital's treasurer of an interest-free account with balances frequently hovering around $1 million and ranging up to $1.8 million at a bank where the treasurer was a vice president;

Funneling of stock brokerage business of the hospital's investment committee to the son-in-law of a trustee;

Funneling of other stock brokerage business to a stock broker who also heads the hospital's investment committee that decides when the stock should be bought or sold;

Formation by the hospital's administrators of a company whose first contract, amounting to $616,000 last year, was with the hospital and was awarded without competitive bidding or approval by the hospital's board of trustees.

The conflicts of interest at various times have involved 10 of the 38 current trustees of the hospital. The conflicts appear to be a direct violation of D.C. law, which prohibits trustees of charitable institutions that receive any federal money from doing business with the institutions. The penalty provided in the law is that trustees who are in conflict must resign.

The hospital is incorporated as a charitable institution under D.C. law. About a third of its operating income comes from the federal government through Medicare, Medicaid, and other health insurance programs. Its building was constructed in 1958 with a $24 million special congressional appropriation, and it since has received some $1 million in additional federal construction grants and loans.

Washington Hospital Center is the Washington area's largest private, nonprofit hospital. Its nearly 900 beds make it one of the largest hospitals in the country. Its 2,500 employes make it one of the area's largest businesses.

In the center's 15-year existence, it has built a reputation among doctors and independent health experts for giving above-average medical care for the Washington area.

Samuel Scrivener Jr., a Washington Hospital Center trustee who serves as its voluntary president, characterizes any current conflicts of interest at the center as "inconsequential when the hospital center is viewed as a whole." He says if more serious abuses are found. "I hope you will publish them, and we will take action to cure them."

The details of the conflicts of interest at Washington Hospital Center, how these and other abuses add to patient bills, and how the true cost of hospital care is hidden by bills that bear no relationship to actual costs, will be spelled out in a series of six articles beginning today.

Many of the abuses that add to hospital costs at the center are common at hospitals throughout the country. They help explain why hospital charges have skyrocketed by 110 per cent since 1965, while prices of other consumer goods and services increased in the the same period by 27 per cent. The hospital center provides a concrete example of how this has happened.

To a growing number of critics, the skyrocketing costs and evidence of abuses are merely a symptom of a larger malady: hospitals' lack of public accountability, either through government regulation or the forces of competition.

"Hospitals are built with public money and supported by public money and given tax subsidies and contributions, but they're run as private fiefdoms for the doctors, administrators, and trustees," says Marilyn G. Rose, the head of the Washington office of National and Environmental Law Program, a government program for the poor.

"If the public knew what was going on in hospitals and how much they are gouging, they'd be outraged," says Herbert S. Denenberg, the Pennsylvania insurance commissioner who has become a leading consumer spokesman.

Ralph Nader, the consumer advocate, calls hospitals a "sublegal system unto themselves." And Dr. Arthur A. Morris, treasurer and vice president of Doctors Hospital in Washington, says the lack of public accountability and public controls of hospitals is "unprecedented and unbelievable."

Hospitals were once generally strictly charitable institutions in the sense that they dispensed large amounts of free care to the poor and were run by religious groups or public-spirited citizens who contributed money to their operations and served as volunteers in the wards.

With wider private health insurance coverage and the advent of the federal health insurance programs for the poor and aged, Medicaid and Medicare, hospitals have become big business. Contributions and free care to the poor account for a minor part of their operations, and close to half their income from federal, state, and local governments, which also run some of them.

Despite the change in their nature, there has been no compensating change in the way hospitals are regulated or controlled. "When you have this much money passing through with no accountability and no competition, it's a wide open field (for trustees, administrators, and doctors)," says Anne R. Somers, a Rutgers Medical School associate professor.

Unlike publicly-traded companies regulated by the Securities and Exchange Commission or labor unions regulated by the Labor Department, hospitals aren't required by law to disclose dealings between themselves and their officers, directors, or trustees. Nor are they required to make detailed disclosure of their finances.

While foundations are prohibited entirely from engaging in transactions with their own officers, hospitals are free to do so—subject to state laws, such as the D.C. act mentioned previously, and the possibility of civil suits that may be filed against trustees for breaching the trust the public bestows on them.

More than 90 per cent of the hospital admissions in the country are to nonprofit, private hospitals. These hospitals comprise about half the 7,097 hospitals in the nation.

Nonprofit hospitals do make profits, but to qualify for an Internal Revenue Service exemption from paying taxes, they must turn their profits back into the hospital, rather than giving it to trustees or employees.

These hospitals are paradoxical in other ways. They are often built in whole or in part with government money, and they are as necessary to the public health and welfare as fire stations. Yet they are legally private institutions, run by trustees who generally elect themselves.

Washington Hospital Center's trustees are elected by 131 incorporators originally connected with the three hospitals that merged to form the center in 1958. Many of the trustees are also incorporators.

Despite the public nature of the hospital center's operations and financing, many of its trustees reacted with indignation when questioned about these areas.

"I believe how I vote is not explicable to you and not necessarily to the public," says Dr. Jack J. Rheingold, a hospital center trustee and a member of the center's 10-man executive committee and of its medical staff. Other trustees, taking the position that the affairs of the center are none of the public's business, simply hung up at the beginning of telephone conversations.

Several of the hospital's own trustees have complained that they have fallen victim to this penchant for secrecy and have been unable to get information they need to vote intelligently. A management consultant's report issued to the hospital last year similarly found that power at the hospital is too tightly concentrated in the hands of its administrator.

To the patient, the first and probably only brush with hospital costs and financing is the bill he receives at the end of his stay. The bill lists mysterious terms and charges that can quickly add up to thousands of dollars. But although patients may think the prices are outrageous, they usually do not complain, even if it would do some good.

This is because some 87 per cent of the $30 billion collected by all short-term and long-term hospitals in the country last year was paid for by so-called third parties: Blue Cross, Medicaid and Medicare, and commercial health insurance companies. Although some patients must pay their bills in cash and may go into debt to do it, most are only dimly aware that they eventually pay their bills through higher insurance premiums and taxes.

Hospital administrators like to say that their costs are closely regulated by the third parties and particularly by the government. But when pressed, they generally concede that the insurance plans, if anything, have an opposite effect.

"The incentive (from insurance plans) is to raise costs," says Dr. Morris of Doctors Hospital.

"When one steps back and takes a hard, detached view of the health care system," says Walter J. McNerney, president of the national Blue Cross Association Inc. in Chicago, "one sees a system relatively unchecked by the lash of competition on the one hand and financed largely on a cost-plus . . . uncritical way on the other."

Cost-plus is the method that Blue Cross, Medicare, and Medicaid generally use to reimburse hospitals. It means they are reimbursed for the costs they incur plus an extra payment for profit, something that other businesses cannot expect unless they keep their costs below their revenues.

"If there were insurance to cover the costs of newspapers, and for every dollar The Washington Post spent it knew it would get reimbursed, your costs would go up, too," says Dr. Martin S. Feldstein, a Harvard University economics professor and author of "The Rising Cost of Hospital Care."

The third party payers spend millions of dollars each year to audit the books of hospitals. But according to one Washington area hospital accountant, "The majority of hospital CPA (certified public accountant) firms don't understand the intricacies of cost reports and Blue Cross and Medicare regulations."

He says it is nearly impossible to keep track of the new regulations Medicare puts out almost weekly. The junior accountants sent into the hospital don't understand the regulations, and the partners at the office don't look at the books, he says.

A single hospital expense may be audited as many as six different times by as many levels of reviewers, from a hospital's own independent auditors to the Department of Health, Education, and Welfare and the General Accounting Office, the accountant says.

But he says they generally don't know what they are looking for, and when they do, the result is often given with a yawn. One of dozens of recent GAO reports on Medicare and Medicaid operations reported that 12 hospitals had overcharged the federal government by $560,000 under the heading, "Problems Associated with Reimbursements to Hospitals for Services Furnished under Medicare."

If the costs of all the auditing, billing, and paper shuffling were added up, "the picture of appalling waste would make you sick," says John R. Gadd, executive director of Lee Memorial Hospital in Fort Myers, Fla.

But if the accountants have difficulty understanding hospital finances, the patient is worse off.

A typical bill from Washington Hospital Center for a maternity stay includes charges like these:

"React RM over ½ hour—$40.00; Pitocin IML INJ—.70; maternity kit—5.00; hazel balm 2 oz.—3.35; anes mat over 1 hour—18.00; hemoglobin hemato—4.00; pelvimetry—27.50."

The total for a four-day stay in a semiprivate room was $575.70, or $144 a day.

Other hospital center bills list such charges as I V fluid start, intracath, choral HYD SY, and orunit (day) addit 30–MI.

Even if the abbreviations were spelled out and the terminology deciphered, the patient would not have any better understanding of the actual costs incurred by the hospital for his stay.

The reason is that any relationship between the charges on the bill and the actual costs of providing the services charged for is purely coincidental. As a result the charges that mystify and confound hospital patients often, in fact, mean nothing.

A hospital's actual costs for providing services are figured by departments within the hospital. At the hospital center last year, for example, the laboratory department, which performs tests, had total expenses of $2.3 million.

But the department's total income or revenue from charges to patients for tests performed was $4.8 million, a markup over expenses of $2.5 million, or 109 per cent.

Translated to the charges that appear on patient bills, the 109 per cent markup means a complete blood count priced at $7 actually costs $3.34. A routine urinalysis priced at $5 actually costs $2.39.

Charges for x-rays are similarly marked up by 57 per cent, for abortions by 125 per cent, and for drugs by 107 per cent.

Even these figures do not illustrate the full extent of the disparity between hospital charges—or prices charged to patients—and actual costs of providing the services.

The 107 per cent drug markup, for example, is based on total pharmacy department expenses that include depreciation on the part of the hospital's building that it occupies. Depreciation is money set aside in investments for future remodeling or replacement of buildings.

The following table shows the full markup on four pills commonly dispensed by the hospital center pharmacy:

Drug	Price paid by hospital center	Price paid by patient	Mark up (percent)
Terramycin, 250 mg	$0.15	$0.35	133
Librium, 5 mg	.004	.10	2,400
Sudafed, 60 mg	.029	.10	245
Ornade Spansule	.086	.20	133

What happens to the excess profits from the markups? It is used to subsidize other hospital departments that operate at a loss. Some of these departments are those that treat patients for kidney, dental, blood, and gynecological problems. Charges in these departments are underpriced by 58 per cent to 831 per cent.

Despite the strange disparities on charges for individual services, the total charges made by the hospital during a year do not exceed the total expenses incurred by the hospital during the year (except for a relatively small amount set aside for profit).

But a patient who has a stomach problem or wants an abortion is overcharged to subsidize a patient with a kidney ailment. And no patient has any way of judging whether the charges he is paying appear to be justified by the services received.

Like many hospital administrators, Richard M. Laughery, administrator of the hospital center, concedes that what he calls the "Robin Hood" effect is inequitable, and he says there is no insurmountable obstacle to pricing services in line with costs. But he says these changes take time.

Dr. Morris of Doctors Hospital suggests another reason for hospitals' reluctance to price services realistically. He says that if patients knew the true costs of the services they pay for, they would "apply more pressure on hospitals to reduce costs."

A nationally-known hospital consultant points out that generally it is the more esoteric services that are overpriced, while the services that patients might understand are generally underpriced.

"The more mysterious the service, the higher the hospital can charge and get away with it," he says.

"Hospitals try to keep room charges down because this is a charge the patient can understand; he's been in a hotel before, it has four walls and a bed. The x-ray, on the other hand, is a big mystery. The patient doesn't bat an eye at paying $30 for a $2.50 picture. And if he's given 20 other charges for mysterious services, he doesn't object because there seems to be so much of it," he says.

In some general way, a patient who gets a $25 bill for a doctor visit can measure the charge against the time the doctor spent with him and the hourly compensation for other professionals. But a patient given a $25 bill for an "SMA-12" laboratory test has no way to judge whether he is being overcharged.

Washington Hospital Center is particularly prone to what the consultant calls "nickel and diming."

Its $59 charge for a semiprivate room—the

one item that can easily be compared with prices of other area hospitals—is about in the middle of the room charges made by other hospitals in this area.

But this comparison is misleading, because only 43 per cent of the center's income comes from the room charge. The rest comes from charges for lab tests, x-rays, anesthesia, drugs, supplies, use of operating rooms, and other services and procedures.

Hospitals have a method of totaling all the charges and costs for an average daily patient stay. This figure bears little relationship to the bills that patients receive, and many hospitals guard the figure jealously.

Yet it is the best and probably only way of determining true costs of hospitalization. And it is the only way to compare one hospital's costs with another.

When this comparison is used, the hospital center's costs are fourth highest among the 20 Washington area hospitals that report their data on a confidential basis to a research council supported primarily by the Hospital Council of the National Capital Area Inc., an association of local hospitals. The costs for all 20 hospitals are shown in the accompanying chart.

Hospital bills also don't disclose a number of other costs that have nothing to do with medical care. The average daily charge to patients at the hospital center last year was $170 (including a small amount of miscellaneous income).

Patients who paid this amount unknowingly spent $8 for educating nurses and doctors, $3 for employee and doctor cafeterias, $8 for other patients who didn't pay their bills, $5 for profit to be used for expanding or remodeling the hospital, and $20 for various discounts, charity care, and free care to the rich.

A major discount, typically ranging up to 8 per cent of costs, is given to Blue Cross by hospitals throughout the country. Commercial insurance carriers, on the other hand, get no discount.

The effect of the discount is that patients who pay cash or have commercial insurance have to pay more to subsidize Blue Cross patients.

Why Blue Cross gets a discount is not clear. Jose A. Blanco Jr., the hospital center's former controller, says the reason more than anything is tradition. Blue Cross says it gets a discount because its coverage of a large number of patients simplifies hospital billing and insures payment. Others say the reason is the historically close tie between Blue Cross and hospitals.

Whatever the reason, these and other discounts introduce another inequity into hospital charges and further obscure true costs.

Another expense that hospital center patients unknowingly pay for is free care to the rich. Last year, this expense—called "courtesy care"—amounted to $21,000, or an extra 62 cents on the total average patient bill.

The total average patient bill is based on an average stay by hospital center patients last year of 7.8 days. In an interview, Loughery denied such a thing as courtesy care exists. But Blanco, now a financial consultant to the center, said the $21,000 was for free service to trustees and other friends of the center who are not charged as a favor. Other former employees of the center said some trustees also ask that their friends be given free care.

One of those who received free care above the coverage provided by his insurance was Scrivener, the center's president. Scrivener, a lawyer who is vice chairman of Perpetual Building Association, the Washington area's largest savings and loan association, said he saw nothing wrong with getting the free care, since he contributes his time to the hospital.

Much of the free care is provided in a special suite of 12 rooms that other paying patients of the hospital subsidize by an additional $42,500, or $1.25 on the total average patient bill. The subsidy occurs because the rate of profit of the special suites is lower than that of the other wards in the hospital.

The special rooms are called the VIP suites. They were built in 1967 for $500,000 taken from the operating funds of the hospital.

Each room is about twice the size of the average hospital accommodation and has fold-out sofa beds for overnight guests, wall-to-wall carpeting, balconies, floor-length picture windows and drapes, color television sets, kitchenettes, and Grecian baths.

Food for VIP patients is prepared by a special gourmet chef in a separate kitchen. The menu features filet mignon and lobster tails, and patients can select from a wine list. Meals are served on chinaware with silverware and crystal glasses.

A patient who specially requests one of the rooms is charged $97 to $112 per day, compared with $72 for a standard private room. The patients also must pay an extra $80 a day for private nurses.

Loughey said the suites were built to attract wealthy patients who otherwise might go to Boston or New York for hospital care. These patients, he said, may leave money to the hospital in their will. He conceded only $50,000 in contributions could be traced to the suites since they were built.

Former D.C. City Council Chairman Gilbert Hahn, Jr., the former hospital center president responsible for building the suites, declined to comment.

The free, luxury care given the rich contrasts sharply with the treatment given hundreds of poor patients who do not have Blue Cross or other means of paying for their hospital stay and are turned away from the hospital center's emergency room for that reason.

These patients are not given free care. Instead, they are transferred to the emergency room of D.C. General Hospital, the city hospital, usually by ambulance.

Other hospitals in the city also transfer patients to D.C. General because they cannot pay and because a congressional appropriation for charity care in the District doesn't cover the costs of caring for the patients.

But although other hospitals transfer even more patients, more patients died within 24 hours of being transferred from the hospital center in the two years ended last July than from any other hospital, D.C. General statistics indicate.

The number who died was 14, according to statistics reported by Dr. Eliza J. Taylor, chief medical officer of D.C. General's emergency room.

The hospital center's transfers, unlike those of other hospitals, are made "absolutely without regard for condition," charges Dr. Martin C. Shargel, a former D.C. General house staff president who testified about the problem in a 1969 City Council hearing.

Dr. Shargel says the patients transferred were almost exclusively indigent and black. They were sometimes in the process of dying when they arrived at D.C. General, he says.

"Nobody in his right mind would transfer patients like that," he says.

The chief of the hospital center's emergency room, Dr. James D. Head, concedes most of the transfers are made because the patients can't pay. But he says every effort is made to transfer only those patients who can stand the trip and the delay in getting treatment.

When a patient dies several hours after reaching D.C. General, "We pull the charts out and see if anything could have been done," he says.

CONFLICT OF INTEREST MARKS HOSPITAL CENTER MANAGEMENT—II

(By Ronald Kessler)

"You'll get a better deal with friends than with strangers."

This is the philosophy that has guided Thomas H. Reynolds while managing Washington Hospital Center's financial affairs for most of the center's 15-year existence.

One of the friends that Reynolds did business with was American Security & Trust Co., Washington's second-largest bank. But while the bank got a good deal by doing business with the hospital, it is clear the hospital, and its patients, got a bad deal by doing business with the bank.

Until two years ago, the hospital's balances in an American Security checking account typically hovered at around $1 million and ranged as high as $1.8 million. The account paid no interest—so the bank had the use of the money at no cost.

Using the most conservative assumptions, the hospital lost at least $50,000 a year in interest it otherwise would have received. Indeed, after the banking arrangement was changed and the balances were lowered, the hospital took in annual interets of $82,000 that it hadn't previously received. Jose A. Blanco Jr., former controller of the hospital, attributes that largely to the elimination of the interest-free policy at American Security.

An annual $50,000 loss of interest amounts to an extra $1.50 on the average patient bill at the center.

Reynolds concedes he was the one who placed the account at American Security and set the policy that sent the hospital's balances there soaring above $1 million. He says he feels the policy was "prudent."

Reynolds is hardly a disinterested party. Until he retired last year, he was a vice president and the second man in charge of the trust department at American Security.

The interest-free policy was changed when several non-banker trustees of the hospital warned of the possibility of civil suits against the trustees if the information ever got out. However, there is evidence that the new arrangement with American Security continues to favor the bank at the expense of the hospital.

Asked about relations between the bank and the hospital, Joseph W. Barr, president of American Security, referred all questions to the current treasurer of the hospital, John E. Sumter Jr.

"I don't want to comment," Sumter said. "All I know is the hospital is running well, and utilizing its money well, and it stands on its record." As for the interest-free money, Sumter said, "I don't know anything about a $50,000 loss."

Sumter is senior vice president for commercial loans at American Security.

To many critics inside and outside the hospital industry, such conflicts of interest—and the detrimental effect they can have on a hospital—illustrate the lack of public accountability of hospitals and explain in large part why hospital costs have skyrocketed.

"What the hospitals don't realize is that they're supposed to be run for the public," says Herbert S. Denenberg, the Pennsylvania insurance commissioner who has investigated hospital trustees' conflicts of interests in his state. "The bankers on the boards think they're run for themselves," he says.

At various times, 10 of the 38 trustees of the hospital center, and four former trustees, have been involved in conflicts of interest when they or their companies did business with the hospital, a Washington Post investigation has found. Often the business was given to the trustees at their own direction.

A conflict of interest, according to Nathan Hershey, coauthor of the Hospital Law Manual, a standard reference work used by the hospital center's own attorneys, is when a hospital trustee does business with the hospital, automatically giving him conflicting interest on both sides of the transaction.

The hospital center's conflict-of-interest dealings, The Post has found, have ranged from catering contracts to malpractice insurance to purchase of stock of local banks by a trustee committee composed primarily of offi-

cers and directors of those banks, who also generally have personal holdings in the banks.

D.C. law specifically prohibits any trustee of a charitable institution that receives any federal money from doing business with the institution. The hospital center is incorporated in D.C. as a charitable institution, and it gets about a third of its operating funds from the federal government through Medicare, Medicaid and other programs. The D.C. law requires that trustees in conflict resign.

Common law, based on court decisions, places a heavy responsibility on trustees to avoid impropriety or the appearance of impropriety. The reason is that trustees in charge of an organization's financial affairs or an individual's investments are not directly accountable to anyone—except themselves.

The relationship and underlying laws are explained this way in a legal memorandum to the hospital center from its counsel, Hogan & Hartson:

"The first obligation of the trustee is to the well-being and security of the corporation, and he is not entitled to benefit personally, directly or indirectly, to the detriment of the corporation. If he does, he is subject to suit by the corporation, an interested party or group who can show damage relating to his conduct, or the United States . . ."

Courts have ruled that fraud is so easily disguised that trustees' transactions with a hospital may be illegal even if they appear to benefit the hospital, says Hershey, the coauthor of the Hospital Law Manual.

"A trustee doing business with a hospital is in a conflict of interest, and if he doesn't abstain from making the decision to give himself the business of the hospital, or if it is detrimental to the hospital, it is clearly illegal," says Hershey, who also is president of the American Society of Hospital Attorneys.

Hershey says that in addition to abstaining from voting on or influencing a decision to give himself business, a trustee in a conflict situation has a legal obligation to fully disclose the details of the transaction and his position on both sides of it to the public. He says the contract should also be let out for competitive bids.

At the hospital center, competitive bidding was sought for only one of the transactions involving conflicts of interest by trustees. In the one exception, the bidding was limited to those banks—American Security, Riggs National Bank, and Union Trust Co.—whose officers are trustees of the hospital.

There is no evidence that any of the trustees involved in the conflicts abstained from voting or participating in the decisions, and in several instances there is evidence that the trustees involved in the conflicts themselves made the decision to give themselves the hospital's business.

There is also no evidence of any public disclosure of the conflicts. Indeed, many of the conflicts have been carried on in such secrecy that other trustees say they were unaware of them, and some of the trustees involved in the conflicts refused to discuss them when asked to do so by this reporter.

One such trustee is George M. Ferris, Jr., president of Ferris & Co., a local stock brokerage firm. One of the firm's Virginia brokers, Michael G. Miller, Sr., is the broker who buys and sells the stock hold by the hospital's $4.5 million pension fund.

Why was Miller, a Virginia broker relatively new to the business, chosen by the center to receive commissions for buying and selling its stock? Sumter, of American Security, which administers the pension fund, concedes Miller was picked by Reynolds, who is Miller's father-in-law.

Miller declined to comment on the matter, and Ferris refused to say how much he or Miller received last year for buying and selling the stock. "I don't see any reason we should cooperate with such an article," he said.

Another hospital trustee, Robert W. Fleming, said it would be too difficult for him to compute how much money he received from the center last year.

As executive vice president and secretary of Folger, Nolan, Fleming, Douglas, Inc., another local stock brokerage house, Fleming is the broker who buys and sells most of the stock for the center's $4.4 million general investment and endowment fund.

As chairman of the center's six-man investment committee, Fleming is also one of the trustees who decides when to buy and sell the stock on which he receives commissions as broker.

Fleming says he sees no conflict of interest in his dual role. He says he doesn't see why he should't get the business if he can do the job as well as anyone, and if his rates are the same as any other broker's, as they are.

Hershey, the president of the American Society of Hospital Attorneys, says a trustee who benefits personally from his own decisions made as trustee cannot be as objective in making those decisions as the law requires him to be.

Such a trustee also may hesitate to question the business dealings of another trustee in a conflict of interest, or to be as firm with the administrator of the hospital as he should be if the administrator is cooperating in funneling him the hospital's business, Hershey says.

Finally, Hershey says, a trustee doing business with a hospital erodes public confidence in the hospital.

The evils of conflicts of interest by hospital trustees are so obvious, says Jay H. Hedgepeth, general counsel of the American Hospital Association, that the AHA has no principle banning such transactions "any more than one saying that hospitals must file tax returns or not murder." Hedgepeth adds that when trustees refuse to disclose details of their conflicts of interest, "that's usually a sign that they are afraid the truth will make them look bad."

When first asked about the interest-free account at American Security, Reynolds denied its existence, saying the only way to prove that the balances were high was to see bank statements.

He subsequently conceded the balances often exceeded $1 million, and he said this was because it was his policy to keep enough money in the account to cover the financial needs of the center for two weeks of operations. Reynolds said any other policy was not "sound," and Sumter, of American Security, defending the previous policy, said it was "what all businesses do. The ones that don't pretty soon go out of business."

Talks with other American Security vice presidents not connected with the hospital center revealed a different picture.

The American Security official in charge of checking accounts, O. W. Chapman, vice president for operations, said it has been "rare" since 1964 or 1965 for businesses to keep large sums in interest-free checking accounts.

As a standard practice, he said, they leave in the accounts only enough money to cover the checks presented for payment each day. This is in contrast to Reynolds' policy of keeping enough in the account to cover two weeks of payments.

To further take advantage of the money, Chapman said, the businesses work on the "float" in the account. This is the money that accumulates in the account between the time a check is written and the time it is presented for payment at the bank after being cashed and making its way through the nation's check-clearing system. Reynolds said he did not believe using the float was a "sound economic" policy.

Chapman said the standard practice of businesses is to call the bank each day or to get a daily written statement so that they know how much excess money they have and can invest it for the benefit of the business.

"We encourage businesses to invest this money (from checking accounts), because if we don't, sooner or later the treasurer will wake up and take the money out of our bank altogether," Chapman said.

But the hospital center's treasurer at the time was Reynolds, who said he was not about to place the center's account at another bank because American Security "was my bank . . . I don't take my personal account to some other bank."

After the interest-free account was stopped, the new method of handling the hospital's money was worked out by Reynolds' successor as treasurer, Samuel T. Castleman. Reynolds left the treasurer's post to become president of the hospital, and he was succeeded as president last year by Samuel Scrivener Jr., a lawyer.

Castleman, the new treasurer, was also an American Security senior vice president. He decided that the new method of handling the hospital's money would be to transfer any excess in the checking account to an interest-bearing saving account—at American Security.

Sumter succeeded Castleman as treasurer earlier this year after Castleman left the country to become executive vice president of a Nassau merchant banking firm.

Sumter claimed the new account at American Security is "favorable" to the center. When pressed on this point, he conceded the bank was not doing special favors for the hospital center.

Despite Sumter's claim that the savings account arrangement was a good deal, a different story again emerged from talks with other American Security officials not involved with the Hospital Center.

Chapman and other bank executives said they have not heard of any business that puts its excess checking account money in savings accounts.

Instead, Chapman and others said, the standard practice is to invest the excess money in short-term loans and other commercial ventures.

A business or nonprofit organization "unquestionably" would do better this way than by placing the excess money in an American Security savings account, said Michael F. Ryan, an American Security assistant vice president who performs this service for businesses.

American Security is one of four Washington banks that has been sued over allegedly interest-free accounts placed in the banks by Group Hospitalization, Inc., the local Blue Cross payment agency. The suit was filed by a group of government employees on behalf of all such employes whose health coverage is with GHI. All the defendants have denied the allegations.

Testimony before a House Government Operations Subcommittee indicated that all but one of the banks had officers or directors on the board of GHI.

Two of those named were also connected with the hospital center. The American Security officer, the late A. Murray Preston, was a trustee of the center and one of its former presidents. Another defendant, Justin D. Bowersock, chairman and chief executive of Union Trust Co., is a trustee of the center and member of its executive committee.

Union Trust also has one of the center's accounts. "It had to go somewhere. They asked if we wanted it. We made no effort to get it," Bowersock said.

Bowersock said he found nothing wrong with the previous checking-account policy at American Security. "You absolutely can't find a better bank," he said.

But some trustees felt otherwise. "It struck me as a strange way of doing it," said Dr. Charles W. Ordman, a member of the center's medical staff and trustees' executive com-

mittee. Dr. Louis Gillespie Jr., another trustee and medical staff man, called the accounts "atrocious."

According to the congressional testimony on GHI's accounts, the balances were kept high by keeping enough money in the accounts to cover two weeks of operations of GHI, a policy similar to that favored by Reynolds.

Reynolds was one of five members of the center's investment committee that decided in 1959 to give a contract to manage the investment accounts of the center, without competitive bidding to Riggs National Bank, Washington's largest bank.

All of the members who signed the contract had their own business dealings with the center. One of them, Frederick M. Bradley, a senior partner of Hogan & Hartson, one of Washington's most prestigious and powerful law firms, was also a director of Riggs. Another trustee who signed the contract with Riggs was Fleming, the stock broker, who was the son of the then chief executive of Riggs, the late Robert V. Fleming.

After the contract was signed, another Riggs official joined the investment committee—Frederick L. Church Jr., executive vice president of the bank and head of its trust department.

Church said in an interview that Riggs' rate for managing the center's investments is lower than the bank's rate for similar services to profit-making businesses and in line with its rate to other nonprofit organizations.

Church conceded, however, that the Riggs rate is higher than the rate charged by American Security for managing the center's pension fund investments. He also conceded that some banks manage investment funds free of charge if the banks also have some of the checking accounts of a business.

Referring to the fact that American Security has the center's checking accounts, Church noted pointedly that Riggs doesn't have any such additional business from the hospital center.

Could the hospital center save money by consolidating its business at one bank and getting more competitive prices? Church said he doesn't know.

The center's investment committee generally buys only those stocks listed on the New York Stock Exchange. But the records of the hospital show that after Church of Riggs joined the investment committee, the committee bought stock for the hospital in two companies listed neither on the New York nor the American Stock Exchanges.

The two companies, whose stock is traded in the local over-the-counter market, were Riggs and American Security.

At the time, all but one of the committee's six members were connected with Riggs or American Security.

The American Security stock did exceptionally well, rising in value 185 per cent from 1959, when some of it was purchased, to 1970, when some was sold.

The Riggs stock, on the other hand, did exceptionally poorly.

The hospital's records show that $9,957 in Riggs stock that was purchased by the investment committee, received as gifts, or transferred from the center's predecessor hospitals was retained by the investment committee until 1970, when it was sold for a profit of $2,435, a 25 per cent increase.

In contrast, the increase in value during the same period of the average New York Stock Exchange security was 74 per cent, a rise that would have nettec' the hospital $7,368 on the same investment. (Both comparisons are exclusive of dividends.) The same money placed in a savings account at 4 per cent simple annual interest would have produced $5,985.

Why didn't the committee sell the Riggs stock years ago? Church, whose wife owns stock in Riggs, declined to comment on the grounds he isn't the chairman of the investment committee.

He noted, however, that the savings account comparison didn't take into account the dividends the Riggs stock paid.

Asked for the total dividends paid on Riggs stock, L. A. Jennings, chairman of Riggs, said he had looked into the investments and found they were proper. As a result, he said, he was "not going to aid you" by providing the information.

"It will just stir up people who don't know anything about it," he said.

Subsequently, Church made available a breakdown of dividends paid on some of the Riggs stock. Although the figures do not cover the same time span as the comparisons used in this story, they indicate that the Riggs stock did better than a savings account would have done when the dividends paid by the stock are taken into account.

As head of Riggs' trust department, one of Church's most important functions is acting as trustee for bank customers, bringing him into daily contact with laws governing trustees' duties and responsibilities.

Would Church buy stock in Riggs for a Riggs' customer while acting as his trustee?

No, Church said. Such a "self-dealing" transaction is barred by regulations of the U.S. Comptroller of the Currency, which regulates national bank trust departments, Church said. In addition, he said, "A person should not engage in self-dealing under common law. You can't serve two masters at the same time."

Is acting as trustee for the hospital center and buying stock in his own bank serving two masters? Church said he didn't think the two positions were comparable.

Sumter, who says he also owns stock in American Security, also acknowledged that the bank would be prohibited from buying stock in itself unless directed to do so by a customer of the trust department. But he said the situation couldn't be compared with the hospital center because the trustees who bought the American Security were not acting as trustees but rather as "members of a committee."

Another trust law expert who signed the contract with Riggs and was a member of the investment committee when it bought stock in American Security & Riggs is Bradley of Hogan & Hartson. Last year, Hogan & Hartson received $107,000 from the Hospital Center for legal services rendered.

Bradley declined to discuss whether his position as trustee and counsel presented a conflict. "I do not give newspaper interviews. I have no intention of discussing it with you," he said.

(Bradley became a trustee emeritus earlier this year but continues to have voting power and to be an investment committee member.)

The Hogan & Hartson partner in charge of the Center's business, John P. Arness, said the charge to the Center is $50 an hour, lower than Arness' usual rate and a reasonable price compared with other law firms. He said he sees "nothing wrong" with the firm's relationship to the Center.

Hogan & Hartson is generally ranked among Washington's four top law firms, and as such a $50-an-hour rate is clearly reasonable, if not low. But Hershey of the American Society of Hospital Attorneys says the majority of the society members believe a trustee who is also legal counsel is harmful even if the rate charged is low.

He says legal advice given the hospital may be influenced by the position taken on the same issue by the trustee who is also connected with the law firm giving the advice. Other trustees, he says, may not question the legal opinion given as readily as when the counsel is strictly a hired company, and they also may be hesitant to suggest changes that might upset the law firm—such as hiring a full-time counsel for the hospital, cutting down on use of the firm, or otherwise altering the relationship to save money for the hospital.

Even if the lawyer-trustee abstains from voting on or influencing decisions affecting his law firm, his mere position as a fellow trustee may "subconsciously" influence other trustees. Hershey says.

Minutes of trustees' meetings show that when the executive committee of the center voted on the terms of Hogan & Hartson's customers agreement last year, Bradley showed up as a guest—although he was not a member of the executive committee.

Hershey says this is "the opposite" of what Bradley should have done under laws governing trustee conduct.

The courts generally hold hospital trustees to an even higher level of conduct than directors of companies, because company directors are watched by stockholders or owners, while hospital trustees are watched only by themselves.

Nevertheless, the director of one publicly traded company who was also legal counsel to the company resigned last July as a director because of what he said were questions raised in the legal profession about the desirability of such as dual role.

The director, Merle Thorpe Jr., who resigned from International Controls Corp., is a partner of Hogan & Hartson.

Arness said Thorpe's position could not be compared with Arness', because Thorpe was the lawyer who actually handled the company's work, while Bradley does not.

Arness said he doesn't believe Hogan & Hartson is in violation of the D.C. law on hospital trustee conflicts.

The law says, "No member or members of any board or boards of trustees or directors of any charitable institution, organization, or corporation in the District of Columbia, which is supported in whole or in part by appropriations made by Congress, shall engage in traffic with said institution, organization, or corporation for financial gain, and any member or members of such board of trustees or directors who shall so engage in such traffic shall be deemed legally disqualified for service on said board or boards."

Arness first claimed that the Washington Hospital Center is not a charitable institution. When it was pointed out to him that the center is incorporated as such under D.C. law, Arness contended the center doesn't receive "appropriations made by Congress"—the wording in the law.

When it was pointed out that in addition to Medicaid and Medicare money appropriated by Congress, the center is the recipient of a $24 million building appropriated by Congress—freeing the center of making mortgage payments it otherwise would have to make—Arness maintained that the center does make mortgage payments.

It was then pointed out to Arness that one of his own memos written to the hospital center says the mortgage in question—in favor of the U.S. government—does not have to be paid off unless the center is used for non-hospital purposes.

Arness then said he believes the law was meant only to prevent trustees from "stealing" from the hospital.

After a number of interviews with Arness, the lawyer billed the hospital center for time he spent being interviewed by The Post. During part of that time, Arness had defended himself against conflict-of-interest charges. The bill came to $150 for three hours of time.

The hospital center attempted to have The Post pay the Hogan & Hartson bill, but the newspaper refused.

Although the hospital center says the bill states otherwise, Arness claimed it was for time spent preparing to be interviewed by The Post and for answering questions raised by the center as a result of The Post's investigation of its finances. He later acknowledged he had charged the hospital for the interviews.

HOSPITAL QUIETLY RAISED RATES BEFORE ANNOUNCING COST CUTS

It was a public relations man's dream. The Washington Post ran an editorial praising the hospital center for performing a "major medical miracle." The New York Times, in a feature article, suggested that other hospitals might well follow the center's example. And the American Hospital Association, with undisguised admiration, said it would like to have the hospital center's formula.

The plaudits were understandable. Washington Hospital Center had announced a reduction in room charges and other prices. The reduction, made in two successive stages last year, amounted to a total saving on a daily patient's bill of $11, or 10 per cent. The center cited a number of innovations—including taking patients' temperature fewer than the standard four times a day—as the primary reasons for the price cuts.

Indeed, the hospital center claimed it had found the answer to spiraling hospital costs.

Unfortunately for the center's patients and those who pay health insurance premiums, the center had not found the answer to anything—except perhaps how to reap national publicity by misleading the public.

Instead of cutting costs, the center actually had increased the cost of the average daily patient stay by 12 per cent, just under the 13 per cent national increase in hospital charges during 1971. And instead of cutting patient charges, the center actually had raised its total prices for an average daily patient stay by 15 per cent.

What happened was that prior to the rate decreases, the center quietly raised its room and laboratory charges. When the center during the year also began getting an unexpected surge of money from Medicaid, the government health insurance program for the poor, it found it had overpriced its services in relation to the costs of providing the services.

It then reduced its prices—but only to some patients.

If the center had not made these reductions, its average daily charges would have increased during the year by more than 20 per cent instead of by 15 per cent.

The center's reductions were analagous to a supermarket raising the price of steak from $1 to $1.20 a pound, then discounting the item to $1.15.

Was it all a hoax?

Jose A. Blanco Jr., then the center's assistant administrator and controller, concedes the public was "misled," but he says it must have been the fault of the press. He says he warned hospital officials at the time that their statements on the reduction must be "carefully" worded.

Richard M. Loughery, the center's administrator, denies the public was the victim of a hoax because, he says, the difference between the impression given and the facts was not that great. He blames the press for allegedly failing to check some of the hospital's claims so the public would be given the full picture.

Loughery received much of the credit for the rate decrease, and in an interview, he claimed he had recommended cutting the charges. However, minutes of the pertinent trustees' meetings show that Loughery argued against reducing the charges. He favored "sitting tight."

Loughery also contended that although costs and charges had risen during the year, the center's average daily charge to patients for such items as room and board, drugs, tests, x-rays, and use of operating rooms is still lower than the charges of half the hospitals in the Washington area.

Data compiled by a research council supported primarily by the Hospital Council of the National Capital Area Inc., a trade group of hospitals, from figures submitted by local hospitals to Blue Cross-Blue Shield, show that the center's average daily patient cost is fourth highest among 20 area hospitals.

"The rate decrease was bull. . . ., and everyone on the inside (administrators and trustees) knew it," says Dr. Louis Gillespie, Jr., a trustee of the center and member of its medical staff.

The story of how the hospital misled the press, the public, the AHA, and apparently even the White House provides fascinating insight into the financial workings of a hospital and how it attempts to influence public opinion.

It was the 10-member executive committee of the hospital's board of trustees that decided in October, 1970, that $1.8 million in additional revenue would be needed during 1971 to pay for expected cost increases.

To get the money, the committee authorized the hospital to raise room rates by $5 a day beginning January 1971. No publicity was given to the increase.

In addition, laboratory charges were raised substantially in February, 1971, increasing revenue for the year in the laboratory department by 33 per cent above the income that had been expected. These lab price changes produced additional profit to the hospital for the year of $873,206, the center's financial statements indicate.

These price increases were ordered, not by the hospital, but by the pathologist who heads the center's laboratory.

How pathologists set their own prices and receive the profits that result, and how similar lab price increases were triggered at about the same time at hospitals throughout the city by a change in Blue Shield reimbursement methods, will be explored in subsequent stories in this series.

Despite the increases in room rates and lab charges, the center probably would not have cut its prices if it had not been for the unexpected increase in money received from Medicaid.

The reason for the increase is simple: the hospital previously either had not been applying for the money, or had been applying improperly.

Medicaid became available to Washington hospitals in July, 1969, but the center lagged in taking advantage of the program.

Until January, 1971, the hospital center had failed to bill Medicaid for the charges incurred by about 10 per cent of the patients eligible for Medicaid, says Lee R. Williams, a supervisor of Medicaid and Medicare billing at the center. Admissions personnel were not recording the fact that the patients were eligible when they entered the hospital, he says.

Of the bills that were sent to Medicaid, says Williams, 35 per cent to 40 per cent were rejected by the government because of errors in addresses, names, identifying numbers, and charges, as well as insufficient information.

The result, concedes Blanco, who was controller then, was that large amounts of money were being lost on patients who could not or would not pay their bills but whose expenses would have been paid by Medicaid if Medicaid had been billed correctly.

The center finally rectified the problem in January, 1971, by placing the billing system in a computer and tightening procedures, Williams says. The result was a sudden surge of payments to the center.

"I don't know why Mr. Blanco didn't do it before," Williams says. Blanco says it was a "matter of priorities."

Former employees say the problem was that Blanco, although a full-time controller paid $39,000 a year, spent most of his time operating his own computer company and acting as a consultant to other hospitals. Blanco says he spent as much time as was necessary at the hospital center job.

The extra Medicaid money and the room and lab test increases produced a surplus in the hospital center's accounts of $1.6 million by the first five months of 1971, and it was this money that prompted the trustees to cut charges.

There was never any question that the surplus would have to be given back to patients. This is because the so-called third party carriers—Blue Cross, Medicaid, and Medicare, which account for a majority of the center's payments—require that any surplus be given back to them at the end of the year.

The trustees decided to take another option by cutting the room rates paid by the remaining clientele of the hospital—the 35 per cent who either pay their own bills or are covered by commercial insurance companies, such as Aetna and Prudential.

The outcome was far from certain when the hospital's executive committee met on June 15, 1971.

A motion was made at that meeting by the then treasurer of the hospital, Samuel T. Castleman, that room rates be cut. Castleman, then a senior vice president of American Security & Trust Co., Washington's second-largest bank, recommended that the hospital publicize the action "in such a manner as to achieve the maximum favorable reaction from the public at large and from key officials of the city and federal government as well as members of Congress."

Castleman's motion was defeated, and instead the committee voted to follow Loughery's recommendation that the hospital sit tight. The committee also decided to submit the matter to the full board of trustees.

A week before the full trustees' meeting, The Washington Post learned that the center had realized a $1.6 million surplus and published a story about it. Doctors and trustees say Loughery was furious at the leak, taking the position that disclosure of the center's finances would make it look bad in the public's eyes.

Loughery now denies that this was his feeling.

Whatsoever its effect on Loughery, The Post story "boxed in" the trustees, making the decision to reduce rates almost inevitable, according to at least one hospital official.

The trustees voted to reduce rates June 28, and at a second meeting Sept. 8 decided to reduce room rates still further and to publicize other reductions that had been authorized at the first meeting. The total reduction came to $11 per patient day.

At the second trustee's meeting, Castleman complained that the center had failed to garner enough publicity from the first rate reduction. He said he had discussed the price cuts with White House aide John D. Ehrlichman, who was "most interested in our efforts . . . to reduce the costs of delivering medical care. . . ." Castleman recommended that this time steps be taken to obtain for the center "the widest possible publicity."

The center promptly called a press conference and sent out releases to the national and local press. In its employee publication, the center boasted that it had succeeded in "reversing the national trend of rising health care costs . . ."

What the press release failed to mention was that the hospital's costs had actually increased overall during the year by 12 per cent for the average daily patient stay, and that charges had increased by 15 per cent. No mention was made in the release about the room rate increase just six months prior to the first rate reduction, nor were the increased laboratory prices mentioned.

Loughery explains these and other omissions this way:

"We assume the people who wrote the stories knew what the poop was."

Jane P. Snyder, the center's public relations director, concedes that neither the original room rate increase nor the laboratory charge increase had been announced to the press.

Was the AHA fooled? No, claims Dr. David F. Drake, associate director of the AHA in Chicago. "When we said we wish we had the formula (for reducing costs), it was tongue-

in-cheek. We knew there wasn't any magic formula."

—RONALD KESSLER.

TOO MANY EMPTY BEDS CAUSE CHILDREN'S HOSPITAL DEFICIT

Empty hospital beds substantially inflate hospital costs. An illustration of how this happens is the case of Children's Hospital of D.C., which has one of the lowest bed occupancy rates in the Washington metropolitan area and one of the highest costs for an average daily patient stay.

Regardless of how many patients a hospital has, its basic operating costs remain essentially the same. This is because a hospital must be fully or nearly fully staffed to handle peak patient loads, and its costs for heating and maintaining its buildings are unaffected by the number of patients in them.

If a hospital's occupancy rate is low, these expenses have to be distributed among fewer patients. The result is that each patient pays more for his or her hospital stay.

The average occupancy rate at Children's Hospital in its fiscal year ended last June 30 was 62 per cent, the hospital's financial statements indicate.

Although some hospitals operate at 100 per cent of capacity, the conventional wisdom in the hospital industry is that an 85 per cent rate is optimal to handle emergencies, seasonal variations and the unpredictable maternity patient deliveries.

Computations based on Children's Hospital's financial statistics indicate that its average daily patient costs are 37 per cent higher than they would be if the hospital were 85 per cent occupied.

This means that each patient pays an average of about $45 extra for each day of hospitalization to cover the costs of the empty beds. During a year, this extra payment comes to $2.3 million for all Children's Hospital patients.

The computations are based on the higher occupancy rate. Since the costs of some supplies would go up with assumption that the hospital's total costs would be the same if it had more patients, the actual extra payment for empty beds would be slightly lower than indicated.

Dr. Robert H. Parrott, the pediatrician who is director of the hospital, acknowledged during several interviews that the hospital's low occupancy rate adds to patient costs.

He said there simply are too many pediatric beds in Washington area hospitals.

Overbuilding of hospital facilities, says Barry P. Wilson, a Blue Cross-Blue Shield vice president, is probably the greatest single cause of high hospital costs throughout the country.

Director Parrott also acknowledged that "there may have been areas of waste in the past" at Children's Hospital, but he said the institution is trying to increase efficiency and cut costs.

In its last fiscal year, Children's Hospital had an operating deficit of $2.3 million and a net deficit—after other income was taken into account—of $708,420. Based on the hospital's operations last year, it would not have had a deficit if its occupancy had been 85 per cent, since the extra patients would have brought in enough revenue to cover the losses.

Despite the deficit, Children's Hospital is constructing a new, $50 million building with 15 per cent more beds.

Although the new building is a stone's throw from Washington Hospital Center, no sharing of major services is planned. The fact that Children's Hospital average daily patient cost for providing laundry service is 144 per cent higher than the hospital center's and that its dietary service cost is 99 per cent higher gives some idea of the savings that patients might realize if the hospitals combined services.

A Children's Hospital spokesman said laundry probably will be done by a commercial firm after the move to the new building.

Dr. Parrott said he believes the hospital's low occupancy rate is attributable in part to its location in a high crime area at 2125 13th St. NW. This may discourage suburban parents from bringing their children to the hospital, he said.

He said the additional beds in the new building are justified because more patients will be attracted to the new location, child population in the Washington area is going up, and the hospital increasingly is getting referrals of patients from other local hospitals.

Children's has been able to keep its head above water largely through appeals for contributions, which last year amounted to slightly more than $1 million for the hospital's operations.

The drives have stressed the hospital's reputation for giving good medical care and its slogan that it never turns away a child because of inability to pay.

Referring to this commitment, Mayor Walter E. Washington said at the groundbreaking for the new hospital building that "this noble concept has created a financial crisis."

Children's Hospital does treat many poor patients, but most are covered by Medicaid, the federal health insurance program for the poor. Medicaid coverage is far more extensive for children than for adults, hospital accountants and controllers say.

Children's Hospital's financial statements indicate that charity care given by the hospital last year amounted to $246,571. This is 2 per cent of the hospital's operating costs and compares with a 3 per cent charity proportion at Washington Hospital Center and what Georgetown University Hospital says is a 7 per cent rate at that hospital.

During the same period when the hospital gave $246,571 in charity care, it received slightly more than $1 million in unrestricted contributions to its operations.

Where does the extra money go? And why doesn't that hospital simply raise its charges to cover its high costs in order to operate in the black?

Dr. Parrott said that since charges already are high, raising them still further might drive patients away and lower the hospital's occupancy rate still further. He added that the hospital is first trying to cut its costs by becoming more efficient.

As for charity care, Dr. Parrott said he does not believe contributions received from the public are being used to subsidize patients who can pay. While he did not dispute the charity figure in the hospital's financial statements, he said the statements do not show the full extent of charity care.

After this reporter's inquiry, Dr. Parrott prepared statistics indicating that the hospital actually gave $1,038,517 in charity care last year, or 8.3 per cent of its operating costs. The charity figure is almost identical to the $1,018,150 in unrestricted contributions received during the year.

Dr. Parrott said the 8.3 per cent charity figure represents the amount of the hospital's deficit caused by its "self-pay" patients. These are all patients not covered by government or private health insurance.

Charity care is defined by the American Hospital Association, federal government and hospital accountants as free care given to patients unable to pay. This means a hospital must determine if a patient cannot pay by inquiring into his income.

Asked if the self-pay patients were unable to pay, Dr. Parrott said some can pay but "most cannot pay the full amount." A hospital spokesman later said that Dr. Parrott meant to say, "A small amount can make partial payment but most can pay nothing."

Asked why the additional charity care did not show up in the financial statements, Dr. Parrott said the hospital's accounting system is less than perfect. He said the method he used was as close as he could come to pinpointing charity care in the hospital.

When told of this method, a former financial man at Children's called it "absurd" and the conclusion that charity care is 8.3 per cent "ridiculous." He said that with the inception of Medicaid, charity care at the hospital dropped to almost nothing.

American Hospital Association principles say a hospital has an obligation to disclose to the public evidence that all its finances are being used effectively in accordance with its stated purpose of operation.

Despite repeated requests, Dr. Parrott would not allow this reporter to talk with the hospital's independent public accountants, Arthur Andersen & Co., or to see Andersen's latest report giving its opinion of the hospital's financial and accounting procedures. He also would not permit an interview with the hospital's controller, who prepares the figures on charity care and signs the financial statements.

Dr. Parrott said that as director of the hospital, he would answer all questions.

—RONALD KESSLER.

ACCIDENTS IN ANESTHESIA

Whether a patient lives or dies on the operating table often depends more on the competence of the anesthesiologist than the skill of the surgeon, many surgeons and other doctors agree.

At Washington Hospital Center, as at many hospitals throughout the country, doctors and surgeons say the competence of some of the anesthesiologists leaves much to be desired, and some say the problem may be caused in part by the way anesthesiologists are paid.

Like pathologists and radiologists, anesthesiologists are not salaried employes of the hospital. Rather, they are given a percentage of the profits of their department. Many hospital experts say such an arrangement gives them an incentive to cut costs to the point where medical quality suffers.

During an operation, the anesthesiologist generally regulates the flow of anesthetic liquid or gas entering the patient, increasing it when the surgeon wants the muscles relaxed and reducing it when the patient needs time to recover from a critical surgical maneuver.

In addition, the anesthesiologist regulates the supply of oxygen to the patient and watches his bodily signs for any danger signal.

A moment's delay in reacting to a problem, or a slip of the hand on the valves regulating the chemicals, can cause immediate death, brain damage, or paralysis.

Talks with a number of Washington Hospital Center doctors and surgeons reveal a widespread lack of faith in the skill of some—but not all—of the anesthesiologists who work at the center.

Some of these doctors say they would go to hospitals in such medical centers as Boston before they would allow themselves to be put to sleep by an anesthesiologist at the center, and others say they would enter the hospital center for an operation only if certain anesthesiologists were selected in advance.

"I was very scared when my daughter came up for routine surgery (at the hospital center) last spring," confides Dr. Richard C. Reba, chief of the center's nuclear medicine department, which diagnosis illnesses by tracing the path of radioactive substances introduced into the bloodstream.

The latest anesthesia accidents in the center's operating rooms are commonly a subject of discussion when doctors at the hospital gather for lunch, Dr. Reba says.

"Most of them (the anesthesiologists) don't know what they're doing," he says.

Dr. P. J. Lowenthal, chief of the center's anesthesiology department, said a reporter's query was the first he had heard of such criticisms. "I don't believe that came from a responsible member of the (medical) staff

because they would bring it to our attention," he said.

Dr. Ernest A. Gould, a trustee of the hospital center, former chief of its medical staff, and chief of surgery until 1970, says he would only allow four of the more than 20 anesthesiologists at the center to give him anesthesia if he had to undergo an operation.

Even if it were an emergency, he says, he wouldn't allow two of the anesthesiologists (one of whom has recently left the hospital) to go near him, nor would he allow them in an operating room with him while he is performing surgery.

Anesthesiologists normally are assigned to operations through a random rotation process, but another former chief of surgery at the center, Dr. Nicholas P. D. Smyth, says he rejects the anesthesiologists normally assigned and selects his own when the operation to be performed is a major one or when the patient is old or sick.

Dr. Reba says he allowed his daughter to enter the center for surgery only when the surgeon assured him he only uses a certain two of the hospital's anesthesiologists.

Dr. Gould, who says he is similarly selective, acknowledges that many other surgeons at the center take only anesthesiologists assigned.

Dr. Gould says breathing or heart beat is stopped by anesthesia in about one in every 2,500 operations at the center, and about 30 per cent of these arrests result in death.

He estimates the center has about five anesthesia deaths a year.

Asked about these figures, Dr. Solomon N. Albert, another anesthesiologist at the center, said, "Let him document it." When asked what the death rate is, Dr. Albert said, "I don't know it off hand. It isn't so much."

One problem in anesthesiology, says Samuel Scrivener Jr., president of hospital center, is that many anesthesiologists trained in foreign countries can't speak English well. This is particularly true of Koreans, Dr. Gould says, while some anesthesiologists from Japan speak English well.

Instant communications between anesthesiologist and surgeon are essential throughout an operation, says Dr. Gould. Referring to the language problem, Dr. Gould says, "If the question requires a 'yes' or 'no' answer, they're OK, but if it involves an explanation, they need help."

Scrivener says he is concerned about what he calls the problem in anesthesiology, and says he wants to do something about it, but he declines to be more specific. Richard M. Loughery, administrator of the center, said he knew of no problem in anesthesiology.

One problem known to worry hospital center officials is a lawsuit brought against the center, its anesthesiologists, and a surgeon over what counsel for the center and for the plaintiff agree was permanent brain damage and partial paralysis of a 5-year-old boy who entered the center in 1968 to have his tonsils and adenoids removed.

The boy's heart stopped during the operation, and his father, George W. Rose, alleged in the suit that the cardiac arrest and subsequent complications immediately following the surgery were caused in part by the negligence and lack of care of the anesthesiologist.

The center's anesthesiologists paid Rose $175,000 in a settlement. A subsequent seven-week trial resulted in a judgment against the hospital center of $294,777, but the sum was later reduced to $25,000 during the course of an appeal. The surgeon, who also settled out of court, paid $95,000.

The suit was filed against Associated Anesthesiologists, the partnership that supplies the center with anesthesiologists. Like the center's pathologists and radiologists, these doctors agree to service the hospital in return for a portion of the profits of their department.

Last year, the 12 partners of the group received $1.3 million from the center, or an average of $105,000 per man, hospital records show.

The $1.3 million payment was made after the salaries of residents and other employees, as well as most of the expenses of running the anesthesiology department, were taken out of the total income the department received from billing patients during the year.

However, Dr. Lowenthal said the 12 partners in addition paid the salaries of five anesthesiologists and of several other employees, and also paid for some equipment, out of the $1.3 million they received.

Dr. Lowenthal declined to say how much that left each partner or how the money was split up. Dr. Albert, while also declining to give specifics, said some partners got more and others less. He said he personally received less than $100,000 last year.

Dr. Gould says such profit arrangements are a "vicious practice" because they give the doctors who are involved in the arrangements an incentive to reduce costs by hiring fewer doctors at lower salaries in order to increase the payments they receive.

Another problem, says Dr. Reba, is that hiring doctors as independent contractors reduces their commitment to the hospital, and this affects medical quality.

Dr. Reba himself receives a small percentage of the profits of his department at what he says was the insistence of the hospital's administrator, Loughery. Most of Dr. Reba's compensation is from salary.

Dr. Albert says the problem isn't the method of payment but the lack of supply of good anesthesiologists. Doctors say that M.D.'s find greater satisfaction in specialties that deal more directly with patients and their problems. Dr. Gould says that because of the shortage, many hospitals use nurse anesthetists to give anesthesia.

—RONALD KESSLER.

A CHECK-UP ON THE HOSPITAL BUSINESS

Since nearly everyone has had at least a passing encounter with a hospital at some point, it doesn't surprise us that the recent penetrating series by Washington Post staff writer Ronald Kessler on "The Hospital Business" has generated a heavy reader reaction. What is interesting is the pattern of the comments we've received so far: Including three letters appearing on the opposite page today, there have been 18 responses published and, without exception, those that take issue with Mr. Kessler's reports have come from members of the medical profession or people directly connected with the hospital industry here.

The series, based on four months of reporting and research, outlined the ways in which administrative abuses and conflicts of interest have been padding the cost of medical attention. Basically, the articles disclosed a string of highly questionable—if not illegal—financial dealings involving some of the area's largest banks and businesses; and the reports spelled out how some of these mutually beneficial transactions have been reflected in patient bills that bear no relationship to the actual cost of providing medical services. Furthermore, the series outlined instances of downright favoritism, including free care to the rich and an absence of competitive bidding. Above all, these abuses were found to be shielded to a disturbing extent by a lack of public accountability.

A majority of the ensuing letters to the editor has expressed strong concern over these revelations. Many have urged official investigations and legislative reforms to curb the administrative practices that have contributed to skyrocketing hospital costs. In addition, Sen. Edward M. Kennedy (D-Mass.) and Rep. Benjamin S. Rosenthal (D-N.Y.) each cited the series as evidence that consumers deserve stronger reassurances about the way health care is dispensed and priced.

For the most part, critics of the series have taken issue not with the thrust of Mr. Kessler's report, but with the manner in which facts were presented. For example Dr. Nicholas P. O. Smyth protested because one article, which quoted him, said, "Anesthesiologists normally are assigned to operations through a random rotation process, but another former chief of surgery at the (Washington Hospital) center, Dr. Nicholas P. D. Smyth, says he rejects the anesthesiologists normally assigned and selects his own when the operation to be performed is a major one or when the patient is old or sick." In his letter published Nov. 11, Dr. Smyth stated that he has indeed selected anesthesiologists "of my own choosing"—but did it in advance, "Well before the assignments are made." Thus, said the doctor, "No rejection of any anesthesiologist is therefore involved since no assignments have yet been made . . ."

Dr. Smyth then concluded that Mr. Kessler was guilty of a "deliberate distortion." Yet neither Dr. Smyth's statement nor the account of it said that he had rejected any particular anesthesiologist.

In another letter today, Frederick L. Church Jr. quarrels with the description of his connection with the Hospital Center and the hospital's dealings with his bank. Yet we fail to see any difference in his account of the facts and that in the series. Indeed, we have seen no convincing challenge of any of the facts documented by reporter Kessler.

But the most troubling aspect of the complaints about Mr. Kessler's series is the general lack of concern within a system that allows conflicts of interests, monopolistic practices, huge salaries and private policy decisions in institutions built with and supported by public money—for care of the public. People "on the outside" of the hospital business are no longer content to entrust health care to interlocking, private groups which feel no compulsion to change their practices to win public trust.

That is why we are heartened by today's statement from Samuel Scrivener Jr., president of the Washington Hospital Center, who says that, "if, after careful study, the published stories reveal anything requiring correction, correction will be made." As we noted previously, what we are talking about is a matter of enormous importance to this community—and for prospective hospital patients and just plain taxpayers, a matter of tremendous concern.

WASHINGTON.

As President of the Washington Hospital Center, I believe that we have a responsibility to the people of this area, and that they are entitled to hear our response to the recent articles in the public press and to judge whether we have discharged our responsibilities honestly and well. We believe that we have done so.

No trustee or employee of the Washington Hospital Center derives any income except for services openly and honorably rendered, at the going rate or less, and without adding to the charges or prices paid by patients. In the past, policies were followed (such as the ratio of checking account balances to current liability balances) which were fully justified and proper at the time. But other policies have now been adopted without derogation of the earlier policies and long before publication of articles about this hospital. This is true of many aspects of our busy, ever-changing hospital, as it is of any dynamic business. If, after careful study, the published stories reveal anything requiring correction, correction will be made.

Our primary concern is to provide the best medical care at proper prices. As the stories pointed out, we are far from the most expensive hospital in this area. Our medical, surgical and ancillary departments have the full support and confidence of the trustees, administration and employees of the Center. Apparently, they also have the support of the physicians and public, as our bed occu-

pancy is as high now as at any time in the past six months.

Some of the stories critical of certain of our medical services were based on statements purported to have been made by physicians on our staff, and each of these doctors has written a letter to the editor, denying or setting these published remarks in proper context. We are responsible people and we would not tolerate medical situations as alleged in the published stories.

Out of our operating budget we have provided medical services to the poor and needy. In the first nine months of this year we lost close to $1,800,000 by providing free services. This included close to $1,000,000 in services only partially supported by the federal and District of Columbia governments.

Our statistics for the first nine months of this year are:

Bed patients admitted	24,260
Outpatients treated	102,287
Births	2,341
Surgical operations	15,053
Interns in training	46
Residents in training	147
Student nurses	240
Employees	2,800
Physicians on active staff	544
Gross receipts	$31,078,898
Adjustments of all kinds	$4,190,626
Net loss 1st 9 months 1972	$228,890

Population growth in the metropolitan area has increased referrals to the Hospital Center from smaller suburban hospitals, especially for serious cases. We believed, and still do, that our responsibilities are both those of a downtown neighborhood hospital and also those of an area medical center providing the complicated, sophisticated equipment and services not available at most other hospitals in the Washington area.

May we leave a few thoughts with you:

1. We do provide quality medical care.
2. Our prices are fair.
3. The public has confidence in us. Our bed census is as high since the articles were published as at any time in the past six months.
4. If we find or learn of anything that should be corrected, it will be corrected, as has been our practice since 1958.
5. No institution, public or private, achieves perfection. However, the Center will never cease trying, and in doing so the published articles will be carefully reviewed to determine what aspects of our hospital operations may be improved.

SAMUEL SCRIVENER, Jr.,
President, Washington Hospital Center.

WASHINGTON.

In order to contribute to a better understanding of the health care industry, I was asked by the administration and board of trustees of the Washington Hospital Center to speak with a Post reporter. Some remarks attributed to me concerning the competence of the anesthesiologists of the Hospital Center were misinterpreted and taken from context and, therefore, were misleading. In any sizeable group there is bound to be a spectrum of quality of performance. Since I am a specialist in Internal and Nuclear Medicine I may not be able to completely evaluate those especially trained and certified in specialties other than my own. I asked my daughter's surgeon to personally select the anesthesiologist and wanted assurance that he would obtain someone that he could rely on for the specific task—in fact, to this day I do not know the name of the anesthesiologist who was in attendance.

As Mr. Kessler wrote in his first article (Oct. 29) "(the Center) has built a reputation among doctors and independent health experts for giving above-average medical care in the Washington area." The quality of medical care at the Hospital Center is outstanding and the non-question of physician competence should not diffuse nor direct our attention away from the important matters that were brought to our attention. I agree with Mr. Scrivener, president of the board of trustees, who is quoted as saying "if more serious abuses are found, I hope you will publish them and we will take action to cure them." I believe that a year or two from now this medical institution and the medical profession will look back on this period of self-assessment and reappraisal as another opportunity to further the continuous effort to maintain our high standard of service to the public.

RICHARD C. REBA, M.D.

WASHINGTON

I have read carefully and with deep concern the series of articles by your staff writer, Ronald Kessler, and the editorial in The Post of Nov. 6 concerning the Washington Hospital Center. High hospital costs adversely affect many of us as individuals and we share the general view that every effort should be made to keep in bounds and lower them. It seems unfortunate that the contribution which The Post and your staff member have made to the review of hospital problems in our city has been in part invalidated by lack of moderation and perception.

Only two sentences in your editorial of Nov. 6 deal with the Riggs National Bank and your primary premises are not true. You comment to the effect that upon my addition to the Endowment and Investment Committee of the Hospital Center, the committee changed its policy in order to purchase the stock of our bank in the over-the-counter market. The fact is that I became a member of the committee in March, 1959. The Investment policy for the General Investment Funds account in question was fixed by the committee in its meeting of November 10, 1959, incident to the pending receipt of the initial securities and cash for the account which was opened on November 20, 1959. This being the initial policy determination and action in the account, obviously no prior policy therein was changed.

In this initial action the committee rounded out four preferred stock holdings and five common stock holdings received from one of the three hospitals which joined together to form the Hospital Center. These round-outs included the purchase of 25 shares of Riggs stock at a cost of $4,000 on which shares the Hospital Center received an aggregate of $2,006 in dividends during the period in which they were held as well as a $1,114 capital gain upon sale partly in 1970 and partly in 1971.

Your editorial states that the committee had signed a contract with Riggs to manage the Hospital's investment accounts. This is not true. The management rests within the Endowment and Investment Committee of the Hospital Center and the agreement with Riggs specifically provides that the bank shall not have investment supervision of the investments or cash held but shall only have custody of the investments and perform ministerial activities in connection therewith.

It is regrettable that your editorial suggests some cloud upon over-the-counter securities and fails to indicate that in 1959 the primary market for most bank and insurance stocks and, in fact, for various sound industrial stocks was over-the-counter. Your attention is invited to the substantial list of over-the-counter market quotations which today appear in the financial press.

Except as to one matter it would not serve a constructive purpose for me to elaborate on or take issue with the comments of Mr. Kessler. I do greatly regret that he chose to refer to a holding of Riggs stock by a member of my family and therefore point out that at the time of purchase of the 25 shares of Riggs stock in the General Investment Funds account in 1959, that this family member owned 7 shares of Riggs stock having a market value of $1,120. Such holding had no relationship to a $4,000 purchase in an institutional investment portfolio.

Both you and your readers should know that the financial advantage to our Trust Department from its relationship with the Hospital Center is slight, if any, and, of course, from a personal standpoint, I serve without compensation as a trustee and committee member. The Hospital Center pays a reduced charitable fee and receives ministerial services in excess of those called for by its agreement with the bank. Aside from the charitable interests of members of Riggs' staff and the fact that we live here, the bank's primary interest in serving the Hospital Center is that Washington is the physical situs of Riggs. The bank has the longer range purpose of endeavoring to improve the quality of life in the city for the sound business reason of maintaining and improving the base for its own operations.

FREDERICK L. CHURCH, Jr.,
Executive Vice President-Trusts, The Riggs National Bank.

HOSPITAL CENTER OFFICIALS USED CONNECTION TO REAP PROFITS—III

(By Ronald Kessler)

It was the old American success story. A Cuban immigrant, penniless after fleeing the Castro regime, turns an idea into a $2-million-a-year company that plans to sell stock to the public.

But in this story, the immigrant, Jose A. Blanco Jr., had more than an idea. He also had a large, first customer for the services his company would offer. The customer showed no signs of wanting to haggle over the price for the services. Indeed, the customer was convinced that only Blanco could do the job.

The reason is understandable. The customer was Blanco.

It was 1970, and Blanco was controller and an assistant administrator of Washington Hospital Center, the Washington area's largest private, nonprofit hospital.

Blanco, who was in charge of data processing, decided the existing facilities at the hospital for billing, keeping track of patient records, and accounting through the hospital's computer were less than adequate. He decided the best solution was to hire a private, outside company to provide these services. And he decided he would start the company he needed.

While making $39,000 a year as a full-time employee of the hospital center, Blanco formed Space Age Computer Systems, Inc., to provide data processing services to hospitals. The firm's first customer was the hospital center, and other customers quickly followed.

If there was ever any question that the center would go along with the idea, it was quickly dispelled when Blanco's boss, Richard M. Loughery, administrator of the hospital, accepted stock free of charge in the new company, and became one of its directors. Blanco concedes that five other administrative officials of the hospital, including the assistant controller and the internal auditor, bought stock in Space Age at $1 a share.

To further help the new company along, it was given $50,000 by the hospital. The payment was described as a "deposit."

Blanco and Loughery say they see no conflict of interest in their dual roles and say they did nothing wrong.

After The Washington Post began investigating Space Age and its relationship to the hospital center, the hospital's board of trustees ordered Loughery and the other assistant administrators to give up their stock in Space Age. Blanco was dismissed as controller of the hospital and was made a consultant to the center for a year. Samuel Scrivener Jr., the center's president, says competitive bidding will now be sought on the data processing contract.

How Blanco and Loughery were able to start a private company using hospital center

funds, and the effect that this had on the center's operations, provide an example of the lack of public accountability of hospitals and give insight into why hospital costs have risen since 1965 at four times the rate of other consumer prices.

About a third of Washington Hospital Center's operating budget comes from the federal government through Medicaid, Medicare, and other federal health programs. Its $24 million building was constructed with a congressional appropriation, and the center has since received more than $1 million in federal funds for new buildings. It also receives additional public subsidies through federal and local tax exemptions and charitable contributions.

Despite the federal presence, the hospital center and other hospitals like it throughout the county are unregulated and report only to themselves.

"They're public institutions and they ought to be above suspicion, but you'd never know it from the way they operate," says Herbert S. Denenberg, the Pennsylvania insurance commissioner who has investigated hospital finances. Denenberg calls the lack of controls over hospitals "unbelievable."

"There's no such thing as a nonprofit hospital," says Marilyn G. Rose, head of the Washington office of National Health and Environmental Law Program, a federal legal aid program. "The money goes to the staff, trustees and administrators through high salaries and various arrangements," she says.

Officials of the Social Security Administration, which administers Medicare, the government health insurance program for the aged, say it is not uncommon for hospital administrators or trustees to own companies that supply goods or services to the hospital. Such transactions are known as self-dealing. The agency refuses to disclose the identities of the hospitals on the grounds that such disclosure is prohibited by law.

Medicare regulations allow self-dealing transactions under certain conditions. If the conditions aren't met, Medicare will reimburse the hospital only for the actual cost that the private company incurred in supplying the hospital. One Washington area hospital accountant says the self-dealing transactions often aren't found by Medicare auditors.

"Basically they just add up the numbers (in the hospital's reports on its costs)," the accountant says.

Blue Cross, the largest private hospital insurance plan, also allows self-dealing transactions between hospitals and their administrator or trustees in most of its contracts with hospitals. Blue Cross, through Group Hospitalization, Inc., the local agent for the plan, raised one objection to the Space Age arrangement: that the contract with Space Age hadn't been approved by the hospital center's trustees.

Before Blanco became controller of the hospital center, he had taught business courses and raised cattle in Cuba, and later participated as a part of the landing force in the abortive Bay of Pigs invasion in April, 1961. A certified public accountant with a quick mind and professorial approach, Blanco became controller of Methodist Evangelical Hospital in Louisville in 1961. He was a consultant to the hospital center before he became its controller in July, 1967.

In that same month, Blanco, his brother, and another Cuban expatriate started their first commercial venture—a business billing company. At the time, Blanco was a full-time employee of the hospital center.

Three years later, Blanco found the center's existing computer system lacking and decided he would supply the services he thought were needed.

Normally, hospital controllers are responsible for running a data processing department as part of their duties, but Blanco saw his duties as controller differently.

"What I know in my brains is mine. I am paid to be controller of Washington Hospital Center—that's it," he said, indicating the job doesn't entail supervising data processing.

There was little doubt the center's key officers would approve the plan. Loughery, the hospital administrator, accepted free stock in the new company and became one of its directors.

The president of the hospital at the time, Thomas H. Reynolds, said he felt the center could get a better deal on a contract if it was with an employee of the hospital.

"Their jobs are on the line," said Reynolds, who retired last year as an American Security & Trust Co. vice president and second man in charge of its trust department.

Finally, the man who was then treasurer of the hospital, and to whom Blanco reported on financial matters, also raised no objections. The former treasurer, Samuel T. Castleman, then also an American Security senior vice president, was made a director of Space Age and given an option to buy 10,000 shares of its stock at $1 a share.

Castleman, now an executive vice president of a merchant banking firm in the Bahamas, said he never exercised his right to buy Space Age stock, and he said he saw no conflict between his duties as treasurer of the hospital and as a director of Space Age.

Castleman and Reynolds were two of the four trustees who gave formal approval to the Space Age contract and agreed to give Space Age $50,000 as a "deposit." Reynolds described the four as the members of the center's executive committee minus its doctor members. He said doctors are "totally lost" in dealing with financial matters.

Other trustees who later found out about the approval said it was given by a "rump" session of the executive committee. All but one of the four were themselves doing business with the hospital center.

The $50,000 was to represent the payment for the last month of the Space Age contract, if the contract was ever terminated. Blanco last year returned the money to the center, without paying interest on it, because he said he had been advised he would have to pay taxes on it. He said he still wants the money, but in a nontaxable form.

If Blanco had paid 8 per cent interest on the money, it would have yielded the Hospital Center $4,000.

Blanco claimed such a deposit is common in the hospital data processing business. Other companies, asked about this, said they had never heard of a deposit.

One company, McDonnell-Douglas Automation Co. in St. Louis, said it makes an installation charge when new equipment is needed or employees must be trained.

Blanco did not have these problems. The employees in the hospital center's data processing department were simply switched to the Space Age payroll. The leased International Business Machines computer already at the center was taken over by Space Age, although the lease continued to be in the center's name.

This way, Space Age could take advantage of the average 20 per cent discount IBM gives the hospital center as a nonprofit institution. Space Age, which must pay for the computer rental, thus cut 20 per cent from its most important cost of doing business. Blanco says IBM is aware of this arrangement.

Before the four hospital trustees approved the Space Age contract, Loughery obtained a letter from Arthur Andersen & Co., the center's longtime independent public accountants, saying the new contract would save the center money when compared with the existing in-house data processing department.

Efforts to obtain a copy of the letter from the center were unavailing.

A number of hospital trustees say they feel Andersen is too close to the center's administration, which hires the accounting company each year. An Andersen analysis "would not necessarily satisfy me," said C. Thomas Clagett Jr., a center trustee who is a coal company executive.

Several former employees of the hospital's business office say Andersen typically sent junior accountants to audit the center's books, and they "just went through the motions" and readily accepted Blanco's explanations to their questions.

Scrivener, the center's president, said the hospital now is considering hiring another firm to go over the center's books.

Andersen declined to comment.

Blanco asserted that what he charges the hospital—$2.25 for each day each patient is hospitalized—is lower than what other companies charge. When extra charges Space Age makes are included, Blanco's rate is $2.43 per patient day.

McDonnell-Douglas in St. Louis charges $3.50 to $4.50 per patient day, or nearly twice the Space Age rate. But another company, ADP Hospital Services, Inc., in Baltimore, charges $1.45 per patient day, with no installation or deposit charge.

Fairfax Hospital, the area's second largest private hospital, says its own employees provide computer services at a cost of $1.50 per patient day.

Blanco's two hats, as controller of the hospital and president of Space Age, presented other difficulties. Blanco the controller had the responsibility of insuring that Blanco the Space Age president paid his rent for use of office space in the center's Physicians Office Building, did not overcharge the hospital, and got paid the correct amount.

Blanco, the Space Age president, and other Space Age employees under him, decided when the hospital's requests for special computer analyses went beyond what was provided in the Space Age contract and what the extra charge for these analyses would be. Sometimes the request for these special analyses was made by Blanco the controller.

"It used to crack me up that a controller could essentially write his own check (to himself)," said one former employee of Blanco the controller.

Other former employees say Blanco spent the majority of his time on Space Age business, ignoring hospital problems for weeks or altogether because he was too busy flying around the country looking for new Space Age customers.

"The hospital became a base of operations for Blanco. The guy was almost never there. Sometimes it was comical," a former employee said.

Blanco says he spent as much time as was necessary to carry out his hospital duties.

One of the most important duties of a hospital controller is to police accounts receivable. These are the bills owed by patients. By sending out frequent bills and following up with systematic telephone calls, a hospital can speed up payments, cut down on delinquent accounts and save its patients money.

A hospital's success in dealing with its accounts receivable is measured by the average number of days before a bill is paid. By this standard, the center's bills took an average of 86.6 days to be paid at the end of last year, compared with 74.1 days for all hospitals and 65.7 days for all Northeast teaching hospitals, American Hospital Association statistics show.

While all other hospitals were owed an average of $3.9 million at the end of the year, the center was owed $9.4 million, statistics show. And while all other hospitals had written off as bad debts $523,000 of these bills, the center wrote off as uncollectable $3.2 million.

A hospital loses money each day that a bill is not paid, either in interest it has to pay out on loans or interest it would have received from bank accounts or investments if the bill had been paid.

Comparing the center with other Northeast

teaching hospitals, the category the center prefers to compare itself with, the loss of interest at 5 percent and extra cost to patients because of the center's slow payments came to 44 cents on the average daily patient bill, or $3.43 on the total average patient bill.

Blanco says he doesn't agree with the AHA's method of comparing accounts receivable, but he concedes he hasn't yet come to grips with the problem. "It's a matter of priorities," he says.

Another area that former employees say Blanco couldn't find the time for was collection of bad debts. When it appears patients won't pay, their accounts are typically handed over to collection agencies, which use more aggressive collection methods and charge 40 per cent to 50 per cent of what they collect as their fee. The renter paid $68,000 in these fees last year, or $2 on the average total patient bill.

Former employees say the choice of which accounts to hand over and which collection agencies got the business was left to chance more than anything else, and the result was that some of the business went to particular companies because of kickbacks they offered.

"I had 12 offers of this type (kickbacks) in one year," said Nicholas R. Beltrante, a former Credit Bureau, Inc., collection manager, who was the center's collection manager for about two years.

An example of an offer: an agency collects $10,000 a month and gives $100 to the employee who gives it the business, Beltrante says.

Another former hospital center credit official says, "I've seen guys (collection agency salesmen) give out $100 bills. One guy in patient accounts got a $100-a-month salary as a kickback."

The president of one local collection agency, Neal J. Frommer of Lincoln Adjustment Co., estimated about one-third of local collection agencies give kickbacks that range from a trip to the South Seas to payments on a Cadillac.

Former employees of Blanco also say he typically changed the figures on the center's books after they came out of his computer each month to make the accounts receivable and bad debts look more favorable to the center. Blanco said he only made standard accounting changes in allowances for these expenses to reflect changed conditions.

Loughery said he doesn't know anything about any kickbacks, and he said he favors Blanco's method of measuring accounts receivable. He said there was "nothing wrong" with accepting stock in Space Age because "it was worthless, it never paid anything."

Blanco said that although the stock hasn't paid dividends or been traded, he expects it will rise in value when the company goes public. He declined to say how much stock Loughery and other hospital officials got, or to show the Space Age stockholder list, saying it was his private business.

Despite Loughery's claim that the stock was worthless, he expressed considerable anger to this reporter at having to give it up, and a number of trustees said that whether the stock had paid dividends was beside the point. The conflict, they said, was that Loughery's ownership of the stock gave him an interest in furthering the business of the company at the expense of the hospital.

"It (the Space Age arrangement) really shakes me," said Frederick L. Church Jr., a Riggs National Bank executive vice president and hospital center trustee, who is himself involved in a conflict because his trust department does business with the hospital.

At one point, Scrivener, the hospital president, criticized Loughery for accepting stock in Space Age and allowing Blanco to start the company under the hospital's umbrella. Loughery's reply, according to Scrivener, was that the trustees are as involved in conflicts of interest as he was.

Indeed, Scrivener himself received $1,295 in legal fees from the hospital center in 1969 and 1970. He said there was nothing wrong with taking the fees.

At another point, Scrivener told Loughery by letter to stop opening mail addressed to Scrivener at the center. Loughery's comment, made to this reporter: "If anybody wants to write him personally, they know his downtown (law office) address."

The exchanges illustrate the sometimes less than cordial relations between the two men. For most of the hospital center's existence, Loughery has had a relatively free hand as administrator, but since becoming president in January, 1971, Scrivener has countermanded many of Loughery's decisions and tried to open up the decision-making processes of the hospital.

He has invited trustees to attend meetings of the executive committee, which previously acted with little consultation with other trustees. After The Washington Post began its investigation of the hospital's financial affairs, Scrivener asked all trustees, administrators, and medical officers to disclose on a form any conflicts of interest they may have.

While Scrivener has emerged as a strong man at the center, there has been growing disenchantment among other trustees with Loughery.

"He's a smarty, but his blindnesses are colossal," said one trustee who asked not to be named.

Loughery, 52, had been administrator of Garfield Memorial Hospital when it was one of the three institutions to merge to form the hospital center. Loughery has been administrator of the center since 1959.

A former Marine Corps captain, he is respected in the hospital industry and has testified in Congress on behalf of the American Hospital Association.

Talks with trustees, doctors, and employees of the hospital elicit entirely different portraits of Loughery. One is that of a driving, efficient, to-the-point administrator who watches the cash register, keeps the doctors in line, and is smart enough and sophisticated enough to be a corporate executive.

The other is that of a petty, arrogant, ruthless empire-builder who is careless with the truth and lacking in good judgment.

Loughery is paid $55,366 a year, more than the typical hospital administrator, and he receives several unusual fringe benefits: use of a Ford LTD Brougham purchased for him by the center and a total of $16,000 to be paid for the college education of his four children. He also got $12,382 last year in hospital contributions to his retirement and other benefits.

Loughery lives in McLean and has a summer house with a swimming pool in Kinsale, Va. He has spent a total of $13,000 for additions to his McLean house, construction permits indicate.

Loughery said one of the additions was financed with an American Security & Trust Co. loan at the "prime" interest rate. The prime rate is normally given only to the most credit worthy national corporations. Asked about this, he said he meant to say it was the "going" rate.

He said he has lost the loan agreement, and John E. Sumter Jr., the American Security senior vice president who is a trustee and treasurer of the hospital, said he didn't want to look up the record at the bank because it would be too difficult.

Loughery also said he owned stock until several years ago in Marriott Corp., which has managed the center's food service without competitive bidding on the contract since the hospital was opened.

Last year, Loughery asked the center's legal counsel, Hogan & Hartson, to explore the possibility of converting the center to a profit-making institution with stockholders. Hogan & Hartson, pointing out all the federal funds that have been poured into the center, said it would be "impracticable."

Loughery said he only wanted to avoid federal regulations, not make profits for himself.

When told of the idea, the person probably most responsible for founding the hospital center, Mrs. Lowell Russell Ditzen, said, "I'm amazed Loughery would even consider trying that."

Mrs. Ditzen persuaded her late husband, Sen. Millard E. Tydings of Maryland, to introduce the bill that gave the hospital center its building.

PATHOLOGISTS: MORE PROFITS, MORE PAY—MAKING $200,000 A YEAR—IV

(By Ronald Kessler)

In the basement of Washington Hospital Center is the relatively modest office of a man who makes approximately $200,000 a year.

The man, Vernon E. Martens, is not the head of Chrysler Corp., Time, Inc,. Safeway Stores, Inc., or Dow Chemical Co., whose chief executives make about what Martens is paid.

He is not the head of the hospital center, whose administrators get about a quarter of Martens' pay. He is not the head of one of the center's major medical departments, whose chiefs also get about a quarter of Martens' compensation.

Martens runs the hospital center's laboratory, which analyzes patient tissues. He is a medical doctor in the field of pathology, the study of human diseases and tissues.

As hospital pathologists go, Dr. Martens is not particularly well paid. Congressional testimony and interviews with hospital administrators and accountants indicate many make $300,000 a year and at least one in the Washington area makes $500,000 a year.

Nor are pathologists the only ones so favored. Hospital radiologists, who interpret x-ray photographs, and anesthesiologists, who administer anesthesia during surgery, are similarly well compensated.

The reason they are is one of many illustrations of why it costs $170 a day to be hospitalized at an institution like Washington Hospital Center and why hospital costs have risen at about four times the rate of other consumer prices since 1965.

Dr. Martens says what he makes is his own business, and he declined to confirm or deny the $200,000 figure (which is based on hospital records and talks with other pathologists who work for him) or to say whether he thinks he is worth $200,000.

Testimony before the Senate Antitrust and Monopoly Subcommittee, a 1967 Justice Department suit against the pathologists, and interviews with hospital administrators and accountants and pathologists indicate a simple explanation for the high compensation.

The pathologists and other hospital medical specialists have a monopoly on the services they offer, and they use it to force hospitals to give them an unusual form of compensation.

Instead of working on straight salary, they insist upon being paid a percentage of the profits of their departments, which are among the most profitable in a hospital.

For pathologists, the payment is either a percentage of the net profits or of the gross income of the hospital laboratory. This money otherwise would go into the general funds of the hospital and reduce charges to patients.

The compensation that results from these arrangements is "appalling," says Dr. John F. Gillespie, a heart surgeon and medical consultant who says he has studied the arrangements at a number of local and national hospitals.

Dr. Kenneth J. Williams, medical director of the Catholic Hospital Association, says the lack of any ceiling or control on pathologists' compensation "borders on the scandalous."

Dr. Ernest A. Gould, a Washington Hospital Center trustee and former chief of its medical staff, calls the percentage of profit compensation method a "vicious" practice that gives doctors an incentive to cut costs to the point where medical quality suffers.

Indeed, many doctors at the hospital Center say the departments with the most problems generally are the ones where the doctors are paid out of profits from the departments. These problems are particularly acute in the anesthesiology department.

This is how the practice works:

Pathologists are given what many experts call a monopoly on hospital laboratories under a principle laid down by the Joint Commission on Hospital Accrediation, which gives hospitals their coveted accreditation. The principle: hospital laboratories should be run by pathologists.

Whether this is justified is questioned by many experts who say a hospital laboratory is much like a manufacturing plant; most of its work is concerned with testing blood, urine, and other patient samples with automated machinery, and this process should be administered by a technician skilled in efficient management methods and quality control.

Doctors in private practice generally send patient samples to independent, commercial laboratories that often are run by technicians or biochemists. These labs hire pathologists on salary to perform the work that only they can do—analyze tissues and give interpretations of test results to doctors when requested.

A 1969 Northeastern University study supported by the U.S. Public Health Service concluded that costs to patients in hospitals are raised by "inefficient management" and "often backward methods" of laboratories run by pathologists who lack management skills and have no desire to learn them.

Pathologists counter that a laboratory not run by a pathologist does poor work. However, several pathologists, including Dr. Martens, conceded that they have no evidence to support this contention.

Whatever the justification, hospitals are bound by the accrediting group to put pathologists in charge of their laboratories. Pathologists, in turn, refuse to work in the laboratories unless they are given a percentage of the profits.

Until 1969, according to a Justice Department suit against the College of American Pathologists, the specialty's professional group, accepting a salaried position with a hospital was cause for possible expulsion from the group.

The college's canon of ethics included this rule: "I shall not accept a position with a fixed stipend in any hospital . . ."

An exception was made for those hospitals run by the local, state, or federal governments, presumably because laws would prohibit government institutions from giving profits to individuals.

In practice, there was, and is, another exception. Pathologists will work on salary for a university hospital. The result, says Dr. Gillespie, is that pathologists of equal qualifications work for $28,000 to $40,000 for university hospitals but receive $200,000 and more from general hospitals.

The College of Pathologists agreed in 1969 to omit the antisalary canon and other rules from its ethics as part of a settlement of the Justice Department suit.

The suit charged that pathologists had illegally forced patients to pay "excessively high prices" for lab tests by agreeing, often in writing, to a series of monopolistic practices.

Among them: boycotting hospitals that refuse to pay pathologists a percentage of profits, agreeing not to accept a hospital position unless the pathologist already occupying the slot is consulted, boycotting commercial laboratories not owned by pathologists, and agreeing not to compete by reducing prices.

The pathologists denied the charges, contending in part that they are not engaged in a business or commercial enterprise subject to the antitrust laws. Rather, the pathologists said, laboratories are "necessary instrumentalities utilized by physicians . . . in the course of their practice of medicine."

The pathologists agreed to stop many of the practices complained of without admitting the allegations. However, hospital administrators say little has changed since the consent decree was filed.

"Now they use the velvet glove approach," says Richard M. Loughery, administrator of the hospital center.

"We pay or we get no service," says Samuel Scrivener Jr., a lawyer who is president of the hospital center.

Would the hospitals agree to the excessive compensation if they were private businesses owned by stockholders? The situations cannot be compared, Scrivener says.

Dr. Martens' compensation last year cost each patient entering the hospital center an average of 79 cents a day, or $6 on the average total bill.

Last year, he was given $429,595. This represented 28 per cent of the net profit of the lab after salaries, supplies, bad debts, and discounts to third party insurers had been deducted from the lab's gross income from patients of $4.8 million.

Out of his payment, Dr. Martens says, he paid about $24,000 for additional salaries of residents or interns, and he paid the salaries of the five other pathologists working for him at the time.

Talks with these doctors indicate their salaries fit the pattern of hospital lab compensation throughout the country; a relatively high salary of $65,000 for the second man in charge and salaries of $25,000 to $35,000 for the less senior pathologists.

The sum left over for Dr. Martens: a minimum of $200,000.

Despite the $6 that the average hospital center patient pays for Dr. Martens' services, Dr. Martens concedes he has little to do with the bulk of the work of the lab. Most of this work consists of chemical testing, a task performed by technicians who stamp the name of Dr. Martens or another pathologist on the test report given to the physician requesting the test.

Nor is Dr. Martens always at the lab. Despite the $200,000 he earns there, he works at the hospital center job only part time; he has a similar position at Hadley Memorial Hospital, where he is paid a percentage of the gross income of that hospital's laboratory. (Hadley refused to say how much Dr. Martens is paid there.) He also operates farms in Virginia.

In contrast to the College of American Pathologists' claim that hospital laboratories are not a business. Dr. Martens maintains that he is a businessman who provides services to the hospital, much as a catering company may run a hospital cafeteria.

Other experts take issue with this position, saying that unlike a catering company that has a franchise at a hospital, a pathologist gets the right to operate a hospital's laboratory without competitive bidding, without rent for space the laboratory occupies, and without the normal risks and competitive forces of a business, since a hospitalized patient cannot take his business elsewhere.

The hospital lab is "strictly a monopolistic, money-making proposition," Dr. Edward R. Pinckney, a Beverly Hills, Calif., pathologist, has testified before the Senate Antitrust and Monopoly Subcommittee. He says prices to patients could be considerably reduced if hospitals hired independent laboratories to perform tests.

A comparison of prices charged for the same tests by Washington Hospital Center and two local, independent labs bears this out:

Test	Hospital center	Lab A	Lab B	Average difference (percent)
Routine urinalysis	$5	$2.50	$1.00	186
Complete blood count	7	3.75	2.00	143
Pregnancy test	11	3.75	3.50	204
Mono test	6	3.50	5.50	33
Routine tissue	18	10.00	15.00	44
12 channel (SMA 12)	25	5.00	5.00	400

Lab A is National Health Laboratories, Inc., Arlington, and lab B is Washington Medical Laboratory, Inc., Falls Church.

The average difference shows the additional price that hospital center patients pay when compared with the average price of the two independent labs for the same test.

The independent lab prices are those charged to doctors, who generally draw samples themselves. National Health Labs estimates it could perform all the functions of a hospital lab for no more than an additional 25 per cent on its regular prices.

Why don't hospitals use independent labs to cut charges to patients?

Dr. Jacques M. Kelly, head of National Health Laboratories, Inc., says that despite the 1969 Justice Department consent decree, pathologists continue to have a "lock" on hospital labs and an "ex officio" agreement that they won't do business with an independent lab, unless they own it.

Several years ago, Dr. Kelly says, his company offered to run tests for Washington Hospital Center at what he says would have been substantial savings to patients. For example, he says, he could bid a maximum price of $3.50 to perform the 12-channel blood test, compared with the current $25 price at the center.

"They had no interest," he says. "To try again would be an exercise in futility."

One reason independent labs are able to charge lower prices is that they are largely automated. The 12-channel test—which measures 12 ingredients ranging from glucose to protein in blood—is performed by a $75,000 machine that does at least 60 blood samples an hour.

Dr. Martens says he hasn't bought such a machine for his lab because there still are problems with "balancing" it.

The Northeastern study suggested another reason. It says that the machine saves so much labor that it would pay for itself in a week if run eight hours a day. But the study says hospital labs often don't buy the machine because the expenditure would come out of the pathologist's compensation. The salaries of technicians who perform the same test by hand, the study says, are paid for by Blue Cross and other third-party insurers.

"Thus there is little incentive for a hospital to invest in automation," the study says.

But if the hospital center's lab became more automated, there is little reason to believe prices to patients would go down. This is because under his agreement with the center, Dr. Martens sets his own prices. He, in turn, gets a percentage of the profit the prices produce.

In practice, these prices are based on fees allowed by Blue Shield, which reimburses patients for physicians' charges. The Blue Shield fees, however, are recommended by a committee of pathologists and ratified by other committees and groups composed wholly or primarily of doctors, concedes Barry P. Wilson, a Washington Blue Cross-Blue Shield spokesman.

The relationship is described this way in a report by hospital center trustees: "In the laboratory and x-ray departments, the fee schedules are set by the Medical Society (of D.C.) and then adopted by Blue Shield." The report adds, "We know some of these prices are almost as ridiculous as some of the drug prices."

Is it a violation of antitrust laws for pathologists to set their own fees?

Lewis Bernstein, chief of the Justice Department's special litigation section for antitrust, said, "Unquestionably, an agreement among physicians on fees is illegal provided it affects interstate commerce. We would take the position it does."

While Wilson acknowledges that physicians determine fees that Blue Shield will allow them, and that these fees are followed almost without exception by hospital pathologists, he says pathologists are free to charge what they want.

The effect of this fee-setting system was underscored early last year when Blue Shield changed its method of reimbursing pathologists, and pathologist charges went up throughout the city.

Blue Shield previously had set specific prices that could be charged for each hospital test. It changed, on the most prevalent Blue Shield plan, to allow pathologists to charge their "usual and cusomary" fee.

Within a month of the change, Dr. Martens' "usual and customary" charge had risen considerably. For the year, the income of the lab exceeded its expected revenues by 33 per cent, producing $873,206 more profit for the hospital than expected.

Wilson acknowledges similar increases took place throughout the city at about the same time. He says Blue Shield didn't start paying more, however, until a year later.

Dr. Martens says the timing of his increases and the Blue Shield change was a "coincidence."

CHILDREN'S NEW BUILDING "MOST COSTLY"—V

The money-raising drives are highly effective. "No child is ever turned away" is the slogan. Even nickels and dimes will help.

Children's Hospital of D.C. has in this way collected $2 million in cash and $4 million in pledges toward construction of its new building going up behind Washington Hospital Center.

The solicitations do not say that the four-story, $50-million building in question costs about three times more per bed than the most expensive general hospital built anywhere in the nation with federal aid last year.

Government experts say a pediatric hospital such as Children's, also built with federal aid, at the most should cost 5 per cent more than a general hospital.

Children's Hospital officials point out that the cost of the new building is not out of line when compared with the number of square feet of space it will contain. They say it is expensive when compared with the 250 beds it will house, but that this is partially explained by the fact that it will contain space for teaching, research, and outpatient facilities. They note that a pediatric hospital going up in Philadelphia costs even more than the D.C. facility.

Grady R. Smith, director of architectural services of the Department of Health, Education, and Welfare's Hill-Burton Program, which has approved $27 million in federal grants and loans for the new building, says the space allocated in the building for teaching, research, and outpatient departments doesn't explain the hospital's cost of $200,000 per bed.

Smith points out other factors that he considers "questionable:" Extra floors in between each floor to house air conditioning and heating ducts, pipes, and electrical lines; unusually high ceilings; an empty space through the center of the hospital; and double outer walls.

"The cost is high almost any way you look at it," Smith says.

Dr. John F. Gillespie, a consultant who helped design Georgetown University's planned new $21.8 million intensive care facility and who works on hospital construction throughout the country, calls the Children's Hospital costs "shocking" and many of the new facility's features "ridiculous."

"The public is ignorant of what goes on, and the architects play on this, and everyone goes along with it because it is to help the children," says Dr. Gillespie, a heart surgeon. "Meanwhile, millions of dollars that could be used to save lives are going down the drain."

Why is Children's Hospital, which had a deficit in its last fiscal year of $708,420, asking the public to spend $50 million for a hospital with double floors and walls? The answer provides some insight into why hospital costs have soared at four times the rate of other consumer price increases since 1965.

Dr. Robert H. Parrott, director of Children's Hospital, while acknowledging that the facility is expensive, said the expenditure will be well worth it.

The extra nine- to 15-foot layer of space between each floor will save money in the long run, he said, because it will be easier to remodel the hospital if that ever becomes necessary. The extra space—called an interstitial space—will allow workmen to walk around the heating ducts and plumbing, he said. He added that at least three other hospitals—including the Army's new Walter Reed General Hospital—will have such spaces.

Dr. Gillespie calls the spaces a "gimmick" that might be justified over the operating rooms and laboratories of a hospital but never over the bulk of it. He says the Walter Reed facility, started last August, is "another Rayburn Building." The Rayburn Building, which houses congressmen's offices, was criticized during its construction for cost overruns and expensive design.

Dr. Parrott said the double outer walls—separated by 5 feet of air space—also will save money in the long run because the hospital will be better insulated, cutting heating and air-conditioning bills. Dr. Parrott said he knows of no other building constructed with double walls, but he said the concept is worth trying as an "experiment."

The idea for the double walls came from the hospital's architects, Leo A. Daly Co. When asked why the firm hadn't sold its other customers on the idea if it actually cuts heating and air-conditioning costs, C. Robert Graham, an architect on the project, said:

"It's a lot more than economics. The walls will cut down on pollution and give a buffer against sunny and cloudy weather."

Asked what this meant, he said the double walls filter light entering the hospital, thus reducing the contrasts in light levels between sunny and cloudy days. He asserted this is a good feature because "we find children don't relate that much to the outside."

Dr. Gillespie, the hospital consultant, suggests architects try to sell hospitals on more expensive features to increase their fees.

Asked if the Daly firm is paid more if the project is more expensive, Graham said no. But Dr. Parrott said the Daly firm is paid a percentage of the project cost.

Smith said the Daly firm submitted a letter to the Hill-Burton Program last May to show that the cost of constructing the double wall is about the same as for a single wall in part because the double wall requires less air-conditioning equipment. In addition, the letter says the double wall will save money on a yearly basis because it provides better insulation.

Smith said the letter didn't make sense to him, but he said the Hill-Burton Program doesn't have the resources to check such issues.

In a telephone interview, Joseph A. Bagala, the former Daly architect who signed the letter, said that the comparison was based on a hypothetical single wall that could have been cheaper and better insulated. He said the cost cited for the wall covering the interstitial spaces was based on a more expensive material in the hypothetical single wall than that in the double wall model.

Nevertheless, he said he still believes the double wall is more economical.

Bagala, now a Dayton, Ohio, architect, also said the hospital has 450,000 square feet, including all mechanical equipment. The same figure has been used officially by the hospital since construction of the new building was announced.

However, when The Post began inquiring into the building's costs, hospital officials said they had remeasured the floor space and found the facility would have 557,000 square feet, bringing its cost per square foot down considerably. Part of the additional square feet was described as space on the interstitial levels for mechanical equipment that otherwise would be placed on main hospital floors.

When told of this, Bagala said, "They're trying to make it look good, now." He then said perhaps some of the additional square footage could be justified.

The following chart shows how Children's Hospital costs compare with other hospitals started last year. The two figures for square foot costs for Children's are based on Children's two versions of its new building area:

Total project cost	Highest Hill-Burton hospital	Average Hill-Burton metro area hospital	Children's hospital, District of Columbia
Per bed	$70,186	$51,937	$200,000
Per square foot	72	59	76/96
Construction and fixed equipment per bed	61,000	43,331	173,660
Per square foot	61	49	58/74
Construction only, per square foot	[1] 34		50/63

[1] Based on average hospital construction contracts let in 18 eastern cities last year as compiled by Dodge Reports, a McGraw-Hill publication for the construction industry.

Asked if two or more hospitals might better be built with the money being spent for Children's, Dr. Parrott said that wasn't the way the new facility was planned. He stressed that funds for the building so far have been collected only from businesses and foundations, and that public appeals for money have been for the hospital's daily operations.

However, Dan J. O'Brien, executive producer of the WDCA–TV telethon that annually collects money for the hospital, said he wouldn't be surprised if viewers thought they were contributing to the building, since no distinction was made and the building was frequently mentioned on the air.

The hospital president, George E. Hamilton III, a lawyer, noted that the Hill-Burton Program had approved every detail of the building. Hill-Burton's director, Dr. Harald Graning, said, "I have no reason to believe the costs are out of line in relation to what they're getting."

Dr. Gillespie, the hospital consultant, said Children's historically has spent money first and worried about where to get it later because "they assume the public and federal government will come to the rescue."

A former Children's Hospital financial man said, "The hospital trades on its image of helping children, and they feel they have a blank check."

He added, "The board (of trustees) comes around once a month, and they want to do good, and they hear stories about a case, and they endorse anything the director says."

Hospital administrators cite a wide range of reasons for skyrocketing hospital costs, from unionization of employees to demands by doctors for more equipment. "It's a matter of costs of labor and supplies going up," says William M. Bucher, executive vice president of the Hospital Council of the National Capital Area, Inc., an association of local hospitals.

But many experts inside and outside the hospital industry say such explanations miss the real point: that hospitals have no reason to reduce costs because they are reimbursed for whatever they spend, and operate without the controls of competition, regulation, or public scrutiny.

"The incentive, if anything, is to raise costs," says Dr. Arthur A. Morris, vice president and treasurer of Doctors Hospital of D.C.

"We have created a powerful financing machine without brakes or a steering wheel," says Ray E. Brown, executive vice president of Northwestern University's Medical Center in Chicago.

"There are so many savings to be had in hospitals it would make your head spin," says Herbert S. Denenberg, the Pennsylvania insurance commissioner.

The waste of money cited by many medical experts ranges from construction of more hospitals than are necessary to purchasing of a particular company's goods because of kickbacks given to hospital purchasing agents. It includes unnecessary surgery, unnecessary hospitalization, unnecessarily long hospitalization, unnecessary testing, lack of competitive bidding for goods and services, duplication of expensive equipment and facilities by many hospitals in a city, refusal of hospitals to share services or purchase goods jointly to lower hosiptal costs, and expensive operating rooms left largely idle on weekends.

Almost any one of these inefficiencies represents a major extra cost borne by consumers. For example, patients admitted to major teaching hospitals such as Georgetown University Hospital and George Washington University Medical Center stay 18 per cent longer than those with similar problems admitted to non-teaching hospitals, according to a 1969 study by the Commission on Professional and Hospital Activities, a group financed by the hospital industry.

The extra time—known in the business as the "teaching effect"—is caused by interns and residents who keep patients in hospitals longer so they can further their own education.

An 18 per cent increase in stay on the average Washington Hospital Center bill would mean an extra $240.

Costs of educating doctors should be borne by the government, not by patients, says Dr. S. Philip Caper, a health aide to Sen. Edward M. Kennedy (D.-Mass.). So long as they are, says Dr. Morris of Doctors Hospital, the amounts should be disclosed on patients' bills. This would bring more public pressure to bear on hospitals to get their costs down, he says.

Some health experts say hospitals can be compared with a department store that has no reason to keep its prices low because customers are referred by third parties (doctors), because customers have no way of knowing what the prices are for services offered or how to evaluate the services given, and because the customers don't particularly care what the prices are since the bill is footed by another third party (the insurance company).

Others compare hospitals with public utilities that are necessary to life but can do essentially whatever they please.

"Having a dozen hospitals in town, each with its own open-heart surgery and intensive-care unit, makes about as much sense as having three telephone companies in town, each with its own set of wires on every street. Costs to the consumer would triple," says Denenberg, the Pennsylvania insurance commissioner.

A recent issue of a Blue Cross-Blue Shield publication estimates that the cost to equip an open-heart surgery unit is $150,000. Washington has six such units, according to a recent American Hospital Association listing, and Dr. Gillespie, the medical consultant who is a heart surgeon, estimates the city needs only two.

Besides the added expense, he says, extra units with a shortage of patients may result in unnecessary deaths because the surgical team doesn't keep in practice.

"There is no such thing as metropolitan area health planning," says a high Blue Cross-Blue Shield official. New construction and facilities are motivated by "rivalries and prestige rather than how to keep costs down," he says.

Dr. Amos N. Johnson, a past president of the American Academy of General Practice, a general practitioner group, says that in large part, because doctors find it more convenient and financially rewarding to admit patients to hospitals than to treat them in their offices, about one-third of hospital admissions are unnecessary.

Some hospitals have found they can save substantial sums by sharing facilities: 13 Minneapolis hospitals purchase drugs at lower discounts than they could get if purchasing alone; 24 Boston hospitals pool laundry facilities; nine Norfolk, Va., hospitals estimate they save $1.5 million a year by sharing a computer.

In Washington, such sharing is minimal, and a recent dispute between Washington Hospital Center and Children's Hospital provides a case history of why.

The center offered to sell steam to the new hospital so it wouldn't have to build its own heating plant. Hamilton, the Children's Hospital president, says the center's price for the steam was higher than what it would cost the new hospital to produce its own heat.

Underlying the dispute were more basic problems that come into play whenever hospitals consider sharing services. Children's Hospital, accusing the center of "empire-building," feared that sharing heat might lead to eventual merger of the two hospitals.

The center, for its part, feared that Children's Hospital, with a $708,420 deficit in its last fiscal year, wouldn't pay its bill for the steam. Minutes of hospital center trustees' meetings show the center believed it would have to choose between giving away steam free or shutting off heat to sick children.

Hamilton concedes that Children's Hospital is often slow paying its bills, but he says eventually they are paid.

Just as there is no law or regulation that requires hospitals to share services to reduce their costs, there is no requirement that they seek competitive bids when buying goods or services, unless federal construction money is involved. Even this requirement can be circumvented.

Legal memos to the Washington Hospital Center from its counsel, Hogan & Hartson, show that the hospital earlier this year drew up a contract with George Hyman Construction Co. to build its planned $10.4 million extended care building without any competitive bidding. The building is for recuperating patients who don't need extensive hospital services.

The Hyman contract is called a management contract. This means Hyman is paid for managing the project and securing bids for the actual construction work. Hyman guarantees the total project will not exceed a given figure. If the actual cost is lower than the guaranteed price, Hyman shares in the savings.

Such a contract is not permitted under regulations of the Hill-Burton Program, which will fund part of the project, according to Smith, the director of architectural services. The reason, he says, is that it would be a simple matter for a construction manager to share in savings and inflate the cost of the project by intentionally setting a high guaranteed price for the building.

Despite the regulations, the hospital center's legal counsel, John P. Arness of Hogan & Hartson, says Hill-Burton officials haven't raised any objection to the lack of competitive bidding.

In his memos to the center, Arness castigated its administrators for drawing up a contract "in the approximate amount of $10 million without the protection of competitive bidding." However, he concluded that the project was too advanced to be stopped.

The Hyman company had previously built the center's recently completed intensive care unit—for critically ill patients—after submitting the lowest of four bids received. At the time, Mrs. George Hyman, widow of the founder of the company, was a trustee of the hospital. Mrs. Hyman says she sold her interest in the company in 1959, and she resigned from the center's board in August, 1971.

The chairman of the Hyman company, Benjamin T. Rome, said he knew nothing about the extended care project and referred all questions to the company president, A. James Clark, who did not return repeated telephone calls.

Richard M. Loughery, administrator of the hospital, claimed no contract had been drawn up with any company, although Arness had given a detailed analysis of the contract with Hyman last spring.

Competitive bidding was sought on another construction contract, but the lowest bid wasn't taken.

The hospital agrees the lowest bidder to build a new parking lot along Michigan Avenue was Corson and Gruman Co. But when the bids were opened, Robert E. von Otto, who is in charge of the center's building and maintenance departments, called the company to point out that its bid omitted a figure for parking gates. A company employee agreed on the spot to add a price for gates—and lost the contract.

A. C. Cox Sr., president of the firm, later protested that the action was "highly improper."

Von Otto says that when he saw the Corson price was low, "I wanted to make sure they knew what they were doing."

He adds, "There's no law that says you have to accept low bids. The difference was $2000. Well, big deal."

Von Otto himself is not employed by the center. His company, Robert E. von Otto & Associates, is retained by the center as a consulting engineer.

There was no competitive bidding on its contract.

Loughery says engineering firms don't bid because it would violate their professional ethics; neither do engineers like to be employees, he claims. Instead, he says, they like to be independent contractors.

Despite the examples of lack of competitive bidding, waste, and inefficiency, hospital center officials, like hospital administrators throughout the country, often cite increasing unionization of hospital employees as a key reason for high hospital costs.

But Dr. Martin S. Feldstein, a Harvard University economics professor, points to Bureau of Labor Statistics figures that show that hospital employees in many categories have been paid more than their counterparts in private industry for many years.

Dr. Feldstein, author of "The Rising Cost of Hospital Care," says hospitals accede to employee demands for more money because "they will get it from the insurance companies."

It is the "blank check" payments from the insurance companies that are at the root of high hospital costs, says Pennsylvania insurance commissioner Denenberg.

About 87 per cent of hospital costs are paid for by insurance plans—Blue Cross, Medicaid and Medicare, and commercial health insurance companies.

Most of the plans reimburse hospitals for their expenditures and give them an additional payment—called "cost-plus"—to cover profit. Businesses only get a profit if they

keep expenses below revenues, but the insurance plans give hospitals this payment anyway.

"The government gave hospitals cost-plus contracts, and their costs rose. It paid doctors on the basis of their customary fees, and their fees rose," says Dr. Rashi Fein, a Harvard Medical school medical economics professor.

"Government agencies are all over the place, but they don't do anything," says Denenberg.

Blue Cross, the private insurance plan that pays for more hospital charges than any other program, is no better, says Theodore A. Cron, who headed the now-defunct American Patients Association.

Blue Cross historically has been dominated by hospitals, which started the organization in 1929 as a way of assuring that their bills would be paid. Until recently, the Blue Cross emblem and name were owned by the American Hospital Association, and because of an act of Congress, the local Blue Cross governing board is composed primarily of doctors and hospital officials.

Because of this domination, says Cron, "Blue Cross and Blue Shield have neglected to impose any kind of reasonable management control on hospitals. About all that's needed is that the bill come in on the right size paper."

Without naming any companies, President Nixon last year criticized health insurance plans that encourage patients to enter the hospital by paying for certain procedures only if they are performed in the hospital.

The president of the national Blue Cross Association Inc., Walter J. McNerney, says this problem in large part has been remedied.

However, one Kensington physician, Dr. Martin C. Shargel, says patients ask him at least once a week if they can be hospitalized so Blue Cross will pay the bill.

Although the patient thinks he is saving money, he is losing it in the long run. Treating a patient with pneumonia at home costs $125, says Dr. Jonathan Titus, an Alexandria physician, compared with about $800 if treated in the hospital.

The difference of about 600 per cent is passed on to consumers in the form of higher health insurance premiums.

SYSTEM LACKS PUBLIC CONTROL—VI

Sibley Memorial Hospital purchases its heating oil from the family company of a hospital trustee. Cafritz Memorial Hospital buys tools and hardware supplies from a hardware store owned by a trustee. Washington Hospital Center employs a patient admissions director who is the son of a hospital trustee.

Such conflicts of interest and nepotism are commonplace in the hospital industry and are symptomatic of what many see as a lack of public control over hospitals and the entire health system.

The United States last year spent $75 billion for health care, or 7.4 per cent of the gross national product. This is a higher proportion than that of any other country. Yet the United States last year was behind 13 other nations in infant mortality rate, behind 21 other countries in male longevity, and behind six other countries in female longevity.

"There is no one in a position to say we spent $75 billion on health care last year, and we didn't get enough for the dollar, and changes have to be made," says Dr. Paul B. Cornely, a Howard University College of Medicine community health professor.

"The decisions are made by the medical-industrial complex without any accountability to the public," says Dr. Cornely, a past president of the American Public Health Association.

"What we have today," says Department of Health, Education, and Welfare Secretary Elliot L. Richardson, "is a health care 'non-system' bordering on chaos."

"There is no policing of hospitals or health care," says Pennsylvania Insurance Commissioner Herbert S. Denenberg. "It's really incredible."

Hospitals by their very nature are incredible places. The need for a new piece of equipment is argued in terms of how many lives may be lost next week if it is not purchased, and a lunch date is cancelled or kept depending on whether a surgeon found cancer that morning and will have to continue cutting into the afternoon.

In theory, trustees and administrators run hospitals, but in practice the real power lies in the hands of the doctors, whom the hospitals rely on to get patients.

The doctors use the hospitals as their workshops without paying for the millions of dollars worth of buildings and equipment invested in them and they strenuously resist outside efforts to check on the quality of their work.

The doctors set up internal audit committees, but committee members who become too critical of unnecessary or sloppy surgery may be ousted from their position by the other doctors.

Hospital accounting systems are chaotic, and the same financial question can be answered five different ways, making it easy for a hospital administrator to confuse a would-be inquirer.

Although hospitals are multimillion dollar businesses, many are still run by bookkeepers in green eye shades and administrators with no knowledge of finance or efficient management.

But the greatest paradox is that there are few, if any, institutions in society as vitally important to the public interest and welfare as hospitals. Yet there are few, if any, institutions so totally lacking in public control through either competition or regulation.

Anne R. Somers, a Rutgers Medical School associate professor, suggests the reason for this is that the public is mystified by medical matters and traditionally reluctant to interfere. In addition, she says, the nature of hospitals has changed from that of strictly charitable organizations to big businesses running on million of dollars of federal funds. Yet there have been no changes in the way hospitals are controlled.

More than 90 per cent of hospital admissions in the country are private, nonprofit hospitals run by self-perpetuating boards of trustees who generally represent neither the community where the hospitals are located nor the patients they treat.

These trustees account only to themselves and frequently take the attitude that how they run the hospital and spend its money is none of the public's business.

During preparation of this series, a number of local hospitals reacted with indignation when asked for lists of their trustees or reports on their financial condition.

One hospital, Sibley, said its trustees specifically had ordered that their identities were to be kept secret. After several months of prodding, the hospital relented and released the trustees' names—omitting their addresses or business affiliations.

Washington Hospital Center made available a large amount of financial information after details of many conflict-of-interest transactions at the hospital had been learned. It then billed The Washington Post for more than $1,000 for expenses incurred in gathering the material. When The Post refused to pay, the hospital said any Post photographer or reporter who steps foot in the hospital will be escorted off the premises by hospital guards.

Asked for copies of the center's press releases, Jane P. Snyder, public relations director, said the center does not put out press releases. When the center's press releases were later noticed coming into the Post's newsroom, Mrs. Snyder again was asked about the releases. She attributed her earlier denial to a misunderstanding.

This week, H. Joseph Curl, administrator of Georgetown University Hospital, said he would not give The Post a copy of the hospital's latest audited financial statement, despite American Hospital Association principles saying hospitals have an obligation to give such reports to the public.

Curl's reason: a chart that appeared in Sunday's editions of The Post allegedly did not "differentiate" between teaching and other hospitals when comparing cost of patient stays at Washington area hospitals.

A caption under the chart said, "George Washington and Georgetown, which are major teaching hospitals, have higher costs partly because of teaching costs."

Did this differentiate? Curl said it was only a "one-sentence statement."

"I can find out more about a company traded over-the counter than I can about the place I depend on for life or death," says Harry J. Becker, community medicine professor of Albert Einstein College of Medicine in New York City.

"Hospitals are the way industry was decades ago," says Dr. Charles B. Perrow, a sociology professor at State University of New York, Stony Brook, N.Y. "There's no accountability or disclosure, and this gives the trustees more power to throw around."

Although half the hospital expenditures in the country come from local, state, and federal governments, and although hospitals receive large subsidies in the form of exemptions from taxes, there is no federal law requiring disclosure of hospital financial data or prohibiting conflicts of interest by hospital governing boards.

The Social Security Administration, which administers Medicare, has voluminous data on hospital operations but refuses to make it public, says Mal Schechter, senior editor of Hospital Practice, a publication for doctors. Schechter recently won a legal battle to gain access to at least some of the information.

Several states, including the District of Columbia, have laws prohibiting conflicts of interest by hospital trustees, but the statutes are rarely, if ever, enforced.

Those involved in the conflicts at Sibley and Cafritz each said there was nothing wrong with the transactions. The Sibley trustee, Guy T. Steuart II, acknowledged he is the son of the chairman and a brother of the vice president of Steuart Petroleum Co., which last year supplied $51,000 in heating oil to the hospital. He said he also "may" own stock in trust in the oil company.

Steuart, the president of Guy Steuart Motors in Silver Spring, said the company began supplying oil to the hospital before he became a trustee, and he said he has had no connection with the oil contract.

Robert A. Statler, acting executive director of Sibley, said the hospital gets competitive bids on the contract each year, but he refused to make the bids available or name the companies asked to bid.

Asked earlier if Sibley has any trustee associated with or connected with a company that does business with the hospital, Statler said no. He subsequently insisted that Steuart's relationship to Steuart Oil Co. does not mean he is associated or connected with it.

Cafritz trustee Frank J. Komenda acknowledged that his store, Blaine Hardware Store, last year supplied $1,800 in hardware to Cafritz. He said the hospital probably saves money by dealing with his store and getting a 10 per cent discount off retail prices because a hardware wholesaler may charge more if asked to deliver small orders.

But one wholesaler, Fries, Beall & Sharp Co., said it gives discounts of up to 30 per cent on any size order delivered to hospitals.

If these hospitals were publicly traded companies they would be required by Securities and Exchange Commisison regulations to disclose such transactions—called "self-dealing"—to stockholders. The stock-

holders could examine the terms of the transactions and determine if they should be terminated.

If these hospitals were foundations or federal agencies, they would be barred by law from doing any business with their trustees, officers, or employees.

Hospitals are not public companies, foundations, or federal agencies. They are tax-exempt organizations, a status given them by the Internal Revenue Service, and critics say the IRS does little to regulate them.

To qualify for tax-exempt status a hospital may not give any of its profits to trustees, employees, or officers. The IRS interprets this literally.

Asked if a hospital would lose its tax exemption if employees took profits from the hospital by setting up a company to do business with the hospital, or if doctors insisted on being given a percentage of the profits of departments within the hospital, an IRS spokesman said no.

His reasoning: "We do something to the hospital if it is already being cheated? The hospital is the innocent party."

Asked if this means the IRS condones such transactions, the spokesman quickly added it does not, and if brought to the agency's attention "we would look into it."

In practice, says Marilyn G. Rose, head of the Washington office of National Health and Environmental Law Program, "I don't think there's anything a hospital could do to lose its tax exemption, unless it's a small hospital run by a few doctors who never intended that it be charitable."

Thomas F. Field, executive director of Taxation With Representation, a tax reform group, says, "The IRS doesn't do much in the way of supervising hospitals. On the other hand, the statute is vague and makes it an almost impossible task."

A change in the statute was recommended by a 1965 Treasury Department report that also proposed tighter controls over foundations. Foundations and hospitals are among the 567,000 tax-exempt groups in the country. The changes in foundation law were subsequently passed by Congress in 1969, but hospital regulations remained unchanged.

Federal laws prohibiting conflicts of interest by hospital trustees and requiring public disclosure of hospital financial data are two of the obvious remedies to some of the abuses described in this series of articles.

But solutions to some of the larger problems of hospitals' lack of public accountability and of waste and inefficiency in the health care system come much harder. In part, this is because few people outside the health care industry have a full understanding of the problems.

Rep. Ronald V. Dellums (D-Calif.) has proposed a takeover of the health care system by the federal government. Most proposed solutions run along more modest lines: contralized hospital financing and government regulations of hospital expansion plans, charges, and quality.

Many observers believe government regulation on the federal level would be too unwieldy. They favor state regulation by commissions analagous to the public utility commissions that regulate telephone and electric companies, but using federal guidelines.

Such a proposal is backed by the American Hospital Association, the trade association of hospitals.

According to HEW, about 20 states already regulate construction of new hospital facilities. Professor Somers says about a third of the states have this or some other limited form of utility regulation of hospitals, and other states have debated the issue in their legislatures.

Two years ago, Maryland prohibited new hospital construction without state approval, and a Health Service Cost Review Commission in Baltimore keeps financial records of hospitals on file. Starting in 1975, the commission will regulate hospital charges.

Sen. Edward M. Kennedy (D. Mass.) has taken the position that the health care problem cannot be solved until financing is centralized. Kennedy's national health insurance bill is one of more than a dozen legislative proposals introduced or backed by labor unions, insurance companes, the AHA, the American Medical Association, and the Nixon administration to change health financing practices in the country.

The Kennedy bill, probably the most comprehensive and widely-debated measure, would scrap private and current government health insurance programs and substitute direct federal financing of hospitals through tax revenues.

The program would be administered by a public board with regional centers that would review hospital budgets before money is expended, control new hospital construction and equipment purchases, and keep hospital financing data on file for public inspection.

Sen. Kennedy estimates the elimination of the scores of private and government health plans, each with their own bill requirements and auditing methods, alone would save hundreds of millions of dollars a year.

"The entire health system is drastically in need of overhaul," Sen. Kennedy says.

President Nixon also has cited a "deepening crisis" in medical costs.

"The toughest question we face," he said in a message to Congress last year, "is not how much we would spend but how we should spend it. It must be our goal not merely to finance a more expensive medical system but to organize a more efficient one."

A BILL TO AMEND THE SOCAL SECURITY ACT TO REMOVE EARNINGS LIMITATION

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

Mr. HUDNUT. Mr. Speaker, in my study of the Social Security Act I feel that one of the more dubious provisions is the so-called retirement-earnings test, which puts wage and salary limitations on social security beneficiaries. The idea behind the test is that, if a beneficiary continues to earn more than certain amounts, he will lose some or all benefits. Today, I am introducing a bill to amend the act so as to remove the limit on outside income which an individual may earn while receiving benefits.

It seems to me an inequity exists if taxpayers are required by law to pay part of their wages into the Federal old-age and survivors insurance trust fund, but then are not entitled to receive full benefits later in life between retirement and age 72 when full benefits become automatic simply because they continue to work and earn. Moreover, many people cannot understand why "earned" income should be subject to limitations, while a social security beneficiary can receive any amount of "unearned" income—dividends or pension payments, for example—without losing benefits.

A more basic objection to the retirement-earnings test is the simple fact that it penalizes someone who wants to work. A man or woman should have the right to work as long as he or she is capable and desirous of doing so. Moreover, with continuing inflation, there is an increasing desire among older Americans to obtain part- or full-time work at the normal wage scale without being penalized under the law. Why should anyone, including older Americans, be discouraged from continuing to be productive members of the community? It seems to me that the policy of the Congress and the Federal Government should be to encourage productivity and the work ethic rather than discourage it.

The Social Security Amendments of 1972 did liberalize the retirement-earnings test somewhat—increasing the basic limit from $1,680 to $2,100 in annual earnings. This was a start in the right direction, but only a start. Personally, I feel the limitation should be removed entirely and, from the numerous conversations I had with older Americans during the fall campaign, I know that they want and deserve this type of legislation. That is why I am introducing this bill today. It is my hope that the Committee on Ways and Means will give this measure early and favorable consideration.

THE LATE HONORABLE CHESTER H. GROSS

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

Mr. GOODLING. Mr. Speaker, I am deeply saddened by a recent report that the Honorable Chester H. Gross, who was born October 13, 1888, has passed away.

Mr. Gross represented essentially the same congressional district it is my privilege to represent in the U.S. House of Representatives. He served in the 76th, 78th, 79th, and 80th Congresses.

He attended schools in York, Pa., and Penn State College at State College, Pa.

Mr. Gross, himself a farmer, was vitally interested in agricultural matters and was consistent in championing the cause of the farmer. He introduced and ardently supported legislation designed to improve the position of the American farmer.

During World War II, Chester Gross carried on a vigorous campaign to impress the American public with the importance of saving food. He strove to bring his message home by using the slogan "Lick Your Platter Clean." He received broad recognition for his efforts to preserve food during the emergency period of World War II.

Chester Gross also was very active in educational affairs. He served as a school board director from 1931 to 1940. He was also president of the State School Directors Association for the 1939–40 period.

Prior to serving in the Congress, Mr. Gross was engaged in other areas of public service. He served as a township supervisor from 1918 to 1922. In addition, he served as a member of the State of Pennsylvania House of Representatives from 1929 to 1930.

After Mr. Gross concluded his congressional career, he became actively engaged in real estate affairs.

I am indeed saddened by this loss; however, this sadness is softened by the realization that the life of the Honorable Chester H. Gross was meaningful and significant, bringing great benefit to his constituency, his State, and his Nation.

THE 150TH ANNIVERSARY OF ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND LATIN AMERICA

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

Mr. FASCELL. Mr. Speaker, on November 14, 1972, the Permanent Council of the Organization of American States held an extraordinary session in Congress Hall in the city of Philadelphia to commemorate the 150th anniversary of the establishment of diplomatic relations between the United States and Latin America. The meeting was held in response to a suggestion of our very able Ambassador to the OAS, Joseph John Jova.

This special anniversary meeting emphasized the friendly relations which have bound together the nations of this hemisphere for the past century and a half. The purpose and spirit of the session was underscored in the following article authored by Ambassador Jova which appeared in the December 3 edition of the Miami Spanish-language daily newspaper Diario las Americas:

THE OAS, MINISTER TORRES, AND PHILADELPHIA

(By Ambassador Joseph John Jova)

Diario Las Américas has asked me the reasons why I invited the Permanent Council of the OAS to hold a Protocolary Session in Philadelphia. First of all, it was simply to celebrate 150 years of diplomatic relations between the United States and Latin America. This in itself was more than sufficient reason for a commemorative session. The fact that the first diplomatic agent, Minister Manuel Torres of Colombia, spent long years of exile in Philadelphia and is buried there, opened the possibility of inviting the Council to meet in that city, precisely at the historic site of Congress Hall where our National Congress met in the first years of our independence when Philadelphia was the capital of the United States.

Moreover, at a time when there is so much emphasis on the points of difference and conflict between Latin America and ourselves, it seemed to me that it would be very useful to hold a session at which we could in good faith emphasize all that unites us. And the truth is that it is all too easy to forget all that we have in common—our revolutionary and anticolonial origins, our constitutions, our republican form of government, and all the ties of culture, policy, and trade—in fact, all the ties which have been created within the Inter-American System, and outside of it as well, during these 150 years of diplomatic relations. As Secretary of State Rogers remarked extemporaneously in his toast, the countries of this Hemisphere can be proud of the fact that we have had, as in no other part of the world, a Continent of Peace, Independence, and Freedom. This is in great measure due to the Inter-American System, which, with all its imperfections, has yet proved to be an effective instrument for harmonizing relations among the countries of the Hemisphere.

In my speech opening the Protocolary Session, I made reference to the belief which inspired the members of our first congresses that the sovereign interests of the states there represented could be mutually developed through a freely accepted association of equal states under law. This same belief has inspired the countries of the Americas to form the Inter-American System, in the conviction that the sum of our associated forces is greater than that of the independent parts, and that through our efforts it is possible to harmonize national interests, resolve conflicts, and combine resources for the greatest benefit of all.

I recognize that we all—including our own country, the richest and most powerful in the world—face the terrible challenge of underdevelopment and its problems, and I acknowledge the obligation we all have to find ways of providing a better life for our peoples. Nobody yet has found the solution to this challenge, but as my colleague the Ambassador of Venezuela, Don Gonzalo García Bustillo, put it so elegantly: "In our American region, we have both opulence and poverty, but we have conditions here unequaled anywhere else on earth to enable us with sincere programs to establish the systems of communication which international social justice demands."

When we were preparing to go to Philadelphia, the Library of Congress provided me with a photocopy of the Philadelphia newspaper *The Aurora* for July 22, 1822, which carried a report of the death of Minister Torres. As I read this old newspaper, I was impressed by the fact that, contrary to journalistic practices in our country today, a great number of dispatches (there were no cables) were published, reporting events in various parts of Latin America. This strengthened my resolve that, on his historic occasion, the OAS should meet not at its headquarters but in Philadelphia, thus helping to focus United States public opinion not only on the OAS, but also on the whole Latin American panorama.

Aside from the reasons I have already stated for justifying our coming to Philadelphia, I believe that one cannot forget the human aspects of this event. The trip provided the opportunity for getting together informally, without protocol, during the train ride, with the opportunity of socializing not only with the OAS Delegates but also with Secretary of State Rogers and his party, and one must not discount the importance of social intercourse and the personal factor in diplomacy. My 30 years as a diplomat have convinced me that if national policies are the big wheels in the international machinery, the personal effort of the good diplomat can be likened to the drops of oil that make those wheels turn.

EARTHQUAKE IN NICARAGUA

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

Mr. FASCELL. Mr. Speaker, when a great natural disaster strikes, such as the earthquake which ravaged the city of Managua, Nicaragua, on December 23, it is difficult to put into words the great sense of loss which each of us feels whether directly involved or not. Few of us will ever be able to fully comprehend the scope of such a tragedy but each of us wishes, in some small way, to be of assistance, to help those whose lives have been shattered, whose relatives have died, whose livelihood has vanished. As Americans, we can be proud of the prompt and meaningful response we have made to the urgent needs of the people of Nicaragua.

EARTHQUAKE DAMAGE

At 12:35 a.m., CDT, on December 23, 1972, an earthquake measuring 6.25 on the Richter Scale struck Managua, the capital city of the Central American nation of Nicaragua. As a result of the earthquake and the fires it caused, at least 4,000 persons died, more than 10,000 were injured, and 75 percent of the city's estimated population of 400,000 were made homeless.

U.S. RESPONSE

Within hours of the first report of the earthquake a 40-man U.S. military disaster assessment team, funded by the Agency for International Development, reached Managua from Panama. Based on reports from the team a massive airlift of medical supplies, food, water purification plants, and other equipment together with needed personnel was begun. In the days since the earthquake, the United States has already firmly committed $7 million from the AID contingency fund for relief supplies. In addition, $2.5 million of Public Law 480, title II foodstuffs has been authorized.

In the immediate aftermath of the earthquake highest priority was given to the treatment of the injured. Two Army hospitals and the Rockland County Mercy Mission Hospital were quickly flown in and treated thousands of injured in only a few days. The equipment from these hospitals is being turned over to Nicaragua to replace that destroyed along with Managua's hospitals. At the same time U.S. doctors have been successfully working with their Nicaraguan colleagues to prevent the outbreak of epidemic diseases.

To aid in repairs to the severely damaged water and sewer systems as well as to clear the tons of rubble hindering relief efforts, the United States airlifted from Panama the Army's 18th Engineering Company which has performed outstandingly under trying circumstances. To date more than 4 million pounds of goods and equipment, including 14 trucks, five generators, 1,300 tents, 15,000 blankets, 25 tons of rice, 48 cooking units, and numerous other items have been airlifted in.

Added to the impressive total of Government contributions is the more than $2 million in assistance which has already been made available from numerous private voluntary agencies such as Care, the U.S. Red Cross, and Catholic Relief.

IMMEDIATE FUTURE: FOOD AND HOUSING

Relief efforts are now shifting from the frantic efforts of the first 10 days to save lives and prevent famine and disease to the less dramatic but immense task of feeding and housing the quarter of a million homeless of Managua until the future of the city is decided. As a portion of international efforts to assist Nicaragua, the United States has already taken steps to deliver approximately 10 million pounds of disaster relief food. An additional 10,000 metric tons of drought relief aid is already en route to offset the failure of a large portion of this year's crops because of an abnormal shortage of rainfall. The total of these food supplies should provide nourishment for 300,000 persons for 3 months. AID funds have also purchased a further 6.68 million pounds of food which should reach Nicaragua soon.

A second area of critical concern is housing. With 60 percent of the city destroyed, tens of thousands of people have

no roofs over their heads and little prospect of a permanent new home for some time. The United States has supplied some tents but these will not be adequate for the length of time that may be involved. While further studies are being made on how best to provide housing, the United States within the last few days has made available $3 million for housing.

RECONSTRUCTION

Clearly, the task ahead for Nicaragua is an immense one which will require help from many nations. Already an international coordinating group has been formed. The Central American nations, themselves, have met and pledged their mutual assistance. The United States has expressed its willingness to participate in reconstruction efforts. But in the last analysis the future of Managua rests with the people of Nicaragua. If their spirit and determination during the past few weeks are any indication, then we can expect to see a new and better Managua emerge, phoenix-like, from the ashes of the old city, within just a few years.

For our part, here in the Congress, I think we, and all Americans, can take pride in the record of achievement compiled by AID, the Defense Department, and other agencies in carrying out the relief responsibilities we have mandated to them by law. As for the future, I believe I speak for all of us when I say to the people of Nicaragua that they can count on our continuing help and assistance.

MAURICE H. THATCHER

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

Mr. FASCELL. Mr. Speaker, last Saturday a most distinguished former Member of Congress, the Honorable Maurice H. Thatcher passed away at the age of 102.

Governor Thatcher served as a Representative from Kentucky in the U.S. House of Representatives from 1923 to 1933 after having served as Governor of the Canal Zone from 1910 to 1913 during the construction of the Panama Canal. Few men in our history could claim to have led such a long and varied career of public service. The Governor first took public office at the age of 22 and for 80 years served local, State, and Federal governments with notable distinction both as a public official and as a private citizen.

When most men his age would have long since retired to a well-deserved rest, Governor Thatcher remained an alert and active champion for the causes he believed in. It was in his capacity as counsel for the Gorgas Memorial Institute, one of the world's foremost institutions for research into tropical diseases, that I came to know, like and respect this singularly remarkable gentleman. All of us who knew him will miss his age advice, but above all we will miss him.

The following article by Mr. Martin Weil of the Washington Post accurately hails Congressman Thatcher as the "Grand Old Man of Panama Canal":

[From the Washington Post, Jan. 7, 1973]

EX-REPRESENTATIVE 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.

It is 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 90th 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 become 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.

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.

FURTHER COMMENTS ON THE HOUSE ARMED SERVICES COMMITTEE DETAILED ANALYSIS OF THE RECOMPUTATION OF MILITARY RETIRED PAY

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

Mr. STRATTON. Mr. Speaker, as the chairman of the Special House Armed Services Subcommittee in the 92d Congress which made a detailed—and, I might add, a rather critical—analysis of the various proposals for the recomputation of military retired pay. I am glad to see that our subcommittee's recommendations are continuing to receive a very favorable response in the Nation's press.

In the belief that Members of Congress will be interested in these comments, especially since recomputation is

a rather complex issue to understand, I am inserting the latest ones in the RECORD for all to read.

Under leave to extend my remarks I include a front-page article from the Washington Post of Sunday, January 7, 1973, written by Lawrence Stern; in addition I include an editorial from the Albany, N.Y., Knickerbocker News and Union Star dated January 5, 1973:

[From the Washington Post, Jan. 7, 1973]

MILITARY PENSION FIGHT SET

(By Lawrence Stern)

The old soldiers are not fading away. They are girding for a renewed campaign to increase their military retirement benefits by as much as $138 billion—the approximate cost of the Vietnam war—over the next three decades.

The objective is Capitol Hill where in the closing days of December they suffered a major reverse at the hands of a House Armed Services subcommittee headed by New York Democrat Samuel S. Stratton.

The House panel, in remarkably unvarnished language, said the American military now enjoys one of the plushest retirement programs in or out of government. It also disclosed that with no changes at all, the cost of military retirements will balloon to $21 billion a year over the next three decades from a present level of $4.3 billion.

By the year 2000—because of the growth of the retiree population—the cumulative bill to American taxpayers would be $339 billion without any upward adjustment in retirement pay for servicemen, according to a comprehensive subcommittee study based on Defense Department figures.

Under the present system the base retirement pay for a man with 20 years' tenure is 50 per cent of his last, and usually highest, active duty pay. A 30-year veteran receives about 75 per cent. This does not include disability allowances.

Also, the average retirement age for officers is 46 and for enlisted men, 41—young enough to launch many of them into second careers. The average military retiree lives 1½ times as long in retirement as he does on active duty, according to Pentagon estimates.

This is what prompted the Stratton subcommittee to describe the U.S. military retirement program as "the most liberal general system in existence."

But the old soldier lobbies, which maintain several national headquarters in Washington and claim to speak for a current national population of 900,000 military retirees, are coming back to fight another engagement.

"There is no question that the vast majority of Congress will vote to support us if they get the opportunity," asserts Col. James W. Chapman, a retired Air Force officer who is senior lobbyist for the Retired Officers Association, the Retired Enlisted Association and National Association of Armed Forces Retirees.

Some congressional authorities on the retirement issue concur in this diagnosis. Despite the adverse findings of the Stratton report, they say, many members would be reluctant to tangle with their retiree constituencies out in the open. Last August when it came to a vote in the Senate the lineup was 82–4 for a $17 billion long-range pay increase for retired servicemen.

Sen. Vance Hartke (D-Ind.), sponsor of that measure, has announced his intention of reintroducing it this year and it could become the rallying point for the renewed drive this year.

The Retired Officers Association claims a membership of 157,000, the largest of the retiree organizations. Another group, the Reserve Officers Association, claims 60,000 active members throughout the country.

There is also the Fleet Reserve Association, for old sailors; the Air Force Sergeants Association, with 15,000 to 18,000 members; the National Association of Uniformed Servicemen; Military Wives Association, Inc.; United Military Wives, and a congery of yet other organizations whose members are vocal and enthusiastic advocates of higher pension benefits.

The catchword of the prospective battle of the military retirement budget is the word "recomputation." It means increasing the pay of retired servicemen whenever Congress gives a salary increase to the active duty forces.

The principle of recomputation had been embedded in the military retirement system since Civil War times primarily to get older officers off the active duty rolls. Military salaries were niggardly and recomputation was accepted as a means of keeping retirees abreast of living costs.

But Congress in the military pay acts of 1958 and 1963 increased retirement pay, abandoned recomputation and permanently tied the retirement system to the consumer price index.

The old soldiers fared well under the new system. Since 1958 retirement pay rose 58 per cent while the consumer price index rose 42 per cent. Under the cost of living formula Congress passed in 1963 retirees get a 4 per cent increase when the price index rises 3 per cent.

In the last session of Congress there were 95 bills introduced for recomputation schemes (the White House sponsored one of them) with long-term costs ranging from $17 billion to $138 billion. This is but one indication of the clout behind the military retiree pay issue on Capitol Hill.

Some four dozen senators and congressmen endorsed various recomputation plans either in person or on paper during public hearings of the Stratton subcommittee last October. That is another example of the persuasiveness of the retiree lobby.

Last September President Nixon tape-recorded a pledge to the national convention of the Retired Officers Association in Anaheim, Calif. "In 1968 we pledged to work for recomputation legislation," the President said, "We have submitted and actively sought passage of recomputation legislation in Congress. We will continue our effort on your behalf in support of that objective."

The 82-to-4 Senate vote for Hartke's "compromise" recomputation bill is cited by its advocates as an example of what Congress would do for former servicemen were the issue brought to an open vote in both houses. One of the four opponents was Senate Armed Services Committee chairman John Stennis (D-Miss.). On the House side, Armed Services Chairman F. Edward Hébert (D-La.) also opposes recomputation.

Although Hartke's plan would have raised benefits by $343 million in its first year and $19 billion over the long run, the service organizations are plumping for far more. The Pentagon calculated the price at $18 billion for their demand that all pre-1958 retirees (the year recomputation was dropped) have their retirement pay refigured on the basis of current active duty pay scales.

In the course of the Stratton hearings, advocates of the new recomputation suggested abandoning federal welfare programs, foreign aid, and revenue sharing to pay for it.

Recomputation and military retirement policy generally will be among the tenderest political concerns for the cost-conscious Nixon administration as well as Congress.

Despite Mr. Nixon's personal pledge to the Retired Officers Association, the Pentagon has little enthusiasm for any form of recomputation at a time when personnel costs already swallow up 60 per cent of its budget.

And word is out on Capitol Hill that the Defense Department is drafting legislation under which servicemen would, for the first time, contribute to their retirement programs—a feature of many civilian retirement systems. The draft proposals also call for reduced benefits during the early retirement years when an ex-serviceman is still able to pursue a second career.

The effect of these proposals, if they are formally submitted to Congress under the imprimatur of the administration, might well add to the heat and smoke of the recomputation debate this year.

[From the Albany (N.Y.) Union-Star and Knickerbocker News, Jan. 5, 1973]

SAYING "NO"—HALLELUJAH!

Exhibiting substantial courage, a House of Representatives armed services sub-committee, headed by Representative Samuel S. Stratton, has put at least temporary halt to an effort by the highly organized retired military personnel to raid the treasury on a multibillion dollar scale. The subcommittee did so by recommending that the full committee give no further consideration to proposed recomputation of military retirement pay.

The retirees—a million strong—had sought to have their retirement based on current active duty pay rates, which have been raised spectacularly in the Nixon administration's endeavor to bring about an all-volunteer military establishment.

But the subcommittee noted that military pensions have increased 58 per cent since 1958, when the present rating system was established. It noted also that military pensions are geared to the Consumer Price Index, but that pensions rise 4 per cent whenever the price index rises only 3 per cent. And the committee observed particularly that the proposed legislation was written to benefit most of all high-ranking retirees, already generously provided for.

In addition to all of this, the subcommittee called attention to abuses of the retirement system particularly among senior officers, who are retired on disability (and thus escape income taxes) although there often is serious question whether the disability is real. Thus, in the Air Force, officers are being retired on disability only a few months after they had passed medical examinations qualifying them for the bonus of flight pay.

No one wants military retirees to be in want. But there is no evidence of any substantial want. Rather, there is evidence that the proposed legislation was based on sheer greed.

Congratulations to Representative Stratton's subcommittee for putting an end to it.

WAR POWERS RESOLUTION OF 1973

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

Mr. FASCELL. Mr. Speaker, the urgency for legislation to reaffirm the congressional role in the warmaking process has never been greater than it is today. The 93d Congress faces a fundamental challenge: Whether it will meaningfully reassert its initiative in the policymaking process, reestablish its role as a viable force for leadership and change, and assume its constitutional responsibility and authority. Nowhere is it more important that this challenge be met effectively than in the powers of war.

I am pleased, therefore, to have joined with our colleague Congressman CLEM ZABLOCKI in sponsoring the War Powers Resolution of 1973. Congressman ZABLOCKI, as chairman of the Foreign Affairs Subcommittee on National Security Policy and Scientific Developments, has led the efforts in the House to enact a

positive statement reaffirming and reasserting the constitutional authority and responsibility of the Congress in committing U.S. forces to armed conflict. In the 91st and the 92d Congresses, the House passed a war powers resolution under his leadership. I am confident that, spurred by recent events in Southeast Asia, support will continue to grow for this legislation, and that final action will be taken during the 93d Congress.

In May of 1970, the world was shocked by the President's announcement that he had ordered U.S. troops into Cambodia, a move which greatly expanded U.S. involvement in Southeast Asia and committed U.S. forces in another country without prior congressional approval, authorization, or even consultation. The President's action clearly indicated the need for a comprehensive review of the war powers of Congress and the President, and for a basic reappraisal of the manner in which our country involves itself in war. This realization led me to draft and introduce H.R. 17598, a bill to define the authority of the President to intervene abroad or make war without the express consent of Congress. The bill was meant to serve as a catalyst for discussion of the vital constitutional issue. Extensive hearings were held by the Zablocki subcommittee and debate on this issue has continued.

The objective of our efforts has never been to reflect criticism on activities of the President or to take punitive action. Rather the focus of our efforts has been on determining the appropriate scope and substance of congressional and Presidential authority in the exercise of the power of war in order that the Congress might fulfill its responsibilities under the Constitution while permitting the President to exercise his.

Article I, section 8 of the Constitution clearly gives to the Congress power to declare war, to raise and support armies, to provide and maintain a navy, and to make rules for the Government and regulation of the land and naval forces. The President, in article II, section 2, is designated "Commander in Chief of the Army and Navy of the United States, and of the militia of the several States, when called into the actual service of the United States." Clearly, the framers of our Constitution wanted the responsibility of committing U.S. troops to armed conflict and U.S. involvement in such conflicts to be shared by the legislative and executive branches of Government, and attempted to strike a workable balance between the two. Our experience with the Vietnam war, however, shows that the balance of constitutional authority over warmaking has swung heavily to the President.

Our efforts in considering the war powers resolution, then, are aimed at restoring a proper balance by defining arrangements which would allow the President and Congress to work together toward the goal of maintaining the peace and security of the Nation.

The war powers resolution recognizes that the President, in certain circumstances, must exercise his authority as Commander in Chief to defend the country without specific prior authorization by the Congress. In such cases, however, the President should report immediately to the House and Senate the circumstances necessitating his action. Specific provision is made for such reporting.

The war powers resolution is vital legislation. We must insure that the United States will never again go to war bit by bit as we have in Vietnam.

For the immediate situation in Southeast Asia, however, the Congress should not hesitate to exercise its responsibilities. The time for an end to U.S. involvement in Vietnam has long since passed, and the Congress must take affirmative action. I supported the resolution adopted by the Democratic caucus on January 2, declaring it to be Democratic policy that no further public funds be authorized, appropriated or expended for U.S. military combat operations in or over Indochina, and that such operations be terminated immediately, subject to the release of the prisoners of war and an accounting of those missing in action. The Congress must enact legislation carrying out this policy statement.

Mr. Speaker, the country has learned a bitter lesson from our involvement in Vietnam. The Congress cannot allow a similar situation to occur, and I urge that early, favorable action be taken on House Joint Resolution 2, the War Powers Resolution of 1973.

CONGRESSMAN STRATTON REINTRODUCES A CONSTITUTIONAL AMENDMENT TO END THE ELECTORAL COLLEGE WITHOUT ENDING THE ELECTORAL VOTE; CALLS FOR REALISM IN THE ELECTORAL COLLEGE ISSUE

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

Mr. STRATTON. Mr. Speaker, last Tuesday I reintroduced here in the House my constitutional amendment—House Joint Resolution 154—designed to eliminate the electoral college as individuals without changing the existing electoral vote system of electing the President.

I first introduced this amendment 4 years ago following the 1968 presidential election, where the narrow margin of victory had threatened for a time to throw the final selection of a President, under our Constitution as it now stands, into the House of Representatives under a voting-by-State rather than voting-by-population arrangement.

There has been a certain amount of talk in the past few days of reviving an earlier effort to end the electoral college and elect our Presidents by direct popular vote.

I certainly would have no objection to direct popular election of the President. In fact I voted for that amendment when it went through the House a couple of years ago. But I said back in 1969—and the event proved me right—that you would never get the Senate to go for direct popular election.

By contrast, my proposal recognizes the realities of the situation. Since we cannot get direct popular election, at least we ought to eliminate the two very serious booby traps which now exist in our present system of electing a President and which could well rise to haunt us in some future close election.

The first of these is the ability of presidential electors to cast their votes for anyone they please, regardless of whose candidacy they have been elected to support on election day. In 1968 we were afraid that a few so-called faithless electors, by switching their votes from one candidate to another, might have been able to prevent any candidate from getting a majority of the electoral vote and thus would have forced the final selection into the House.

Even though the 1972 election was not close in either the electoral vote or the popular vote, we saw here in this Chamber last Saturday that it is still possible for an elector to vote for anyone he pleases. Some Nixon elector in Virginia voted for an obscure person from California instead of for the regular designated Republican candidate.

And once you get the voting transferred into the House you get into a real can of worms, because under the Constitution, Alaska and Delaware would carry as much weight in selecting a new President as New York and California.

My amendment would eliminate the "faithless" elector problem by eliminating the electors as people. And, second, it would avoid the horror of having the House vote for President by States by providing for a national runoff election in case no candidate gets more than 40 percent of the total electoral vote.

Under leave to extend my remarks I include a copy of this amendment:

H.J. RES. 154

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"ARTICLE —

"SECTION 1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of four years, and together with the Vice President chosen for the same term, be elected as provided in this Constitution.

"The President and Vice President shall be elected by the people of each State in such manner as the legislature thereof may direct, and by the people of the District constituting the seat of the Government of the United States (hereafter in this article referred to as the 'District') in such manner as the Congress shall by law prescribe. The Congress may determine the time of the election of the President and Vice President, which day shall be the same throughout the United States. In such an election, a vote may be cast only as a joint vote for the election of two persons (referred to in this article as a 'presidential candidacy') one of whom has consented that his name appear as candidate for President on the ballot with the name of the other as candidate for Vice President, and the other of whom has consented that his name appear as candidate for Vice President on the ballot with the name of the said candidate for President. No person may consent to have his name appear on the ballot with more than one other person. No person constitutionally ineligible to the office of President shall be

eligible to that of Vice President. In each State and in the District the official custodian of election returns shall make distinct lists of all presidential candidacies for which votes were cast, and of the number of votes in such State for each candidacy, which lists he shall sign and certify and transmit to the seat of the Government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates and the electoral votes shall be computed in the manner provided in section 2.

"SEC. 2. Each State shall be entitled to a number of electoral votes for each of the offices of President and Vice President equal to the whole number of Senators and Representatives to which such State may be entitled in the Congress. The District shall be entitled to a number of electoral votes for each such office equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State. In the case of each State and the District, the presidential candidacy receiving the greatest number of votes shall be entitled to the whole number of the electoral votes of such State or District. If a presidential candidacy receives a plurality of at least 40 per centum of the electoral votes, the persons comprising such candidacy shall be the President-elect and the Vice-President-elect. If no presidential candidacy receives a plurality of at least 40 per centum of the electoral votes, a run-off election shall be conducted, in such manner as the Congress shall by law prescribe, between the two presidential candidacies which received the greatest number of electoral votes. The persons comprising the candidacy which receives the greatest number of electoral votes in such election shall become the President-elect and the Vice-President-elect.

"SEC. 3. The Congress shall by law provide procedures to be followed in consequence of the death or withdrawal of a candidate on or before the date of an election under this article, or in the case of a tie.

"SEC. 4. The twelfth article of amendment to the Constitution, the twenty-third article of amendment to the Constitution, the first four paragraphs of section 1, article II of the Constitution, and section 4 of the twentieth article of amendment to the Constitution are repealed.

"SEC. 5. This article shall not apply to any election of the President or Vice President for a term of office beginning earlier than one year after the date of ratification of this article."

COMMENTS ON A LETTER FROM THE DEPARTMENT OF LABOR

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

Mr. MICHEL. Mr. Speaker, normally when an incumbent administration gets itself reelected one would not expect too many problems, but obviously with all the games of musical chairs going on downtown there are a few loose ends.

Just before I left the office this morning to come to the floor of the House I received the following communication from the Acting Executive Officer of the Department of Labor. It reads as follows:

U.S. DEPARTMENT OF LABOR,
Washington, January 8, 1973.

Hon. ROBERT H. MICHEL,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN MICHEL: I am writing to acknowledge receipt of your résumé indicating your interest in a position at the Department of Labor.

We will be contacting you in the near future regarding any position that we may have available for you.

We appreciate your interest in our Department.

Sincerely,

ROBERT F. ARMAO,
Acting Executive Officer.

Mr. Speaker, I was not aware that I had applied for any position down in the Department of Labor or that my position was so insecure here in the House.

I can assure the Members that when the Department of Labor comes before our Appropriations Committee we will give all the new folks thoughtful consideration for all their requests, but if this confrontation between the executive and legislative branches proves to be the big issue it appears to be in this Congress, I intend to exercise my prerogatives as a Member of this House and cast my lot with the legislative branch.

TRANSFER OF SPECIAL ORDER

Mr. MINSHALL of Ohio. Mr. Speaker, under a previous order I have been granted permission to address the House for 1 hour at the conclusion of the day's business on January 16. I ask unanimous consent to change the date from January 16 to January 23.

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

There was no objection.

EXTENSION OF ECONOMIC STABILIZATION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 92-42)

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 on Banking and Currency and ordered to be printed:

To the Congress of the United States:

During 1969, the annual rate of inflation in the United States was about six percent. During my first term in office, that rate has been cut nearly in half and today the United States has the lowest rate of inflation of any industrial country in the free world.

In the last year and a half, this decline in inflation has been accompanied by a rapid economic expansion. Civilian employment rose more rapidly during the past year than ever before in our history and unemployment substantially declined. We now have one of the highest economic growth rates in the developed world.

In short, 1972 was a very good year for the American economy. I expect 1973 and 1974 to be even better. They can, in fact, be the best years our economy has ever experienced—provided we have the will and wisdom, in both the public and private sectors, to follow appropriate economic policies.

For the past several weeks, members of my Administration have been reviewing our economic policies in an effort to keep them up to date. I deeply appreciate the generous advice and excellent suggestions we have received in our consultations with the Congress. We are also grateful for the enormous assistance we have received from hundreds of leaders representing business, labor, farm and consumer groups, and the general public. These discussions have been extremely helpful to us in reaching several central conclusions about our economic future.

One major point which emerges as we look both at the record of the past and the prospects for the future is the central role of our Federal monetary and fiscal policies. We cannot keep inflation in check unless we keep Government spending in check. This is why I have insisted that our spending for fiscal year 1973 not exceed $250 billion and that our proposed budget for fiscal year 1974 not exceed the revenues which the existing tax system would produce at full employment. I hope and expect that the Congress will receive this budget with a similar sense of fiscal discipline. The stability of our prices depends on the restraint of the Congress.

As we move into a new year, and into a new term for this administration, we are also moving to a new phase of our economic stabilization program. I believe the system of controls which has been in effect since 1971 has helped considerably in improving the health of our economy. I am today submitting to the Congress legislation which would extend for another year—until April 30 of 1974—the basic legislation on which that system is based, the Economic Stabilization Act.

But even while we recognize the need for continued Government restraints on prices and wages, we also look to the day when we can enjoy the advantages of price stability without the disadvantages of such restraints. I believe we can prepare for that day, and hasten its coming, by modifying the present system so that it relies to a greater extent on the voluntary cooperation of the private sector in making reasonable price and wage decisions.

Under Phase III, prior approval by the Federal Government will not be required for changes in wages and prices, except in special problem areas. The Federal Government, with the advice of management and labor, will develop standards to guide private conduct which will be self-administering. This means that businesses and workers will be able to determine for themselves the conduct that conforms to the standards. Initially and generally we shall rely upon the voluntary cooperation of the private sector for reasonable observance of the standards. However, the Federal Government will retain the power—and the responsibility—to step in and stop action that would be inconsistent with our anti-inflation goals. I have established as the overall goal of this program a further reduction in the inflation rate to 2½ percent or less by the end of 1973.

Under this program, much of the Federal machinery which worked so well during Phase I and Phase II can be eliminated, including the Price Commission, the Pay Board, the Committee on the Health Services Industry, the Committee on State and Local Government Cooperation, and the Rent Advisory

Board. Those who served so ably as members of these panels and their staffs—especially Judge George H. Boldt, Chairman of the Pay Board, and C. Jackson Grayson, Jr., Chairman of the Price Commission—have my deep appreciation and that of their countrymen for their devoted and effective contributions.

This new program will be administered by the Cost of Living Council. The Council's new Director will be John T. Dunlop. Dr. Dunlop succeeds Donald Rumsfeld who leaves this post with the Nation's deepest gratitude for a job well done.

Under our new program, special efforts will be made to combat inflation in areas where rising prices have been particularly troublesome, especially in fighting rising food prices. Our anti-inflation program will not be fully successful until its impact is felt at the local supermarket or corner grocery store.

I am therefore directing that our current mandatory wage and price control system be continued with special vigor for firms involved in food processing and food retailing. I am also establishing a new committee to review Government policies which affect food prices and a non-Government advisory group to examine other ways of achieving price stability in food markets. I will ask this advisory group to give special attention to new ways of cutting costs and improving productivity at all points along the food production, processing and distribution chain. In addition, the Department of Agriculture and the Cost of Living Council yesterday and today announced a number of important steps to hold down food prices in the best possible way—by increasing food supply. I believe all these efforts will enable us to check effectively the rising cost of food without damaging the growing prosperity of American farmers. Other special actions which will be taken to fight inflation include continuing the present mandatory controls over the health and construction industries and continuing the present successful program for interest and dividends.

The new policies I am announcing today can mean even greater price stability with less restrictive bureaucracy. Their success, however, will now depend on a firm spirit of self-restraint both within the Federal Government and among the general public. If the Congress will receive our new budget with a high sense of fiscal responsibility and if the public will continue to demonstrate the same spirit of voluntary cooperation which was so important during Phase I and Phase II, then we can bring the inflation rate below 2½ percent and usher in an unprecedented era of full and stable prosperity.

RICHARD NIXON.

THE WHITE HOUSE, *January 11, 1973.*

THE PRESIDENT'S MESSAGE ON PHASE III

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

Mr. GERALD R. FORD. Mr. Speaker, I am pleased that the President acted to move the country beyond phase II of the price and wage control program to a new type of program which is self-administering and based on voluntary compliance. His timing is excellent, given the progress we have made thus far in achieving economic stability and proper economic growth.

I think the new program has a good chance of success, considering the willingness of both labor and management to participate fully in the implementation and operation of phase III. The support expressed by both labor and management indicates that both groups believe the plan to be equitable.

In my opinion, phase III substantially accommodates the views advanced by labor leaders during the consultation process. I understand they have expressed their willingness to comply voluntarily with an appropriate type of program.

I would emphasize that the new price and wage control system is directed at plugging up holes in the existing program, since it will include stepped-up efforts to control food prices and medical costs.

The special emphasis that phase III places on moderating food price behavior should be good news to the housewife. In addition to the maintenance of mandatory controls on food processors and retailers, a new Cost of Living Council Committee on Food has been created. The Committee on Food will work closely with the Department of Agriculture to insure that specific decisions as well as reforms in the farm programs fully accommodate the need to elicit increased supplies to meet consumer demand. This special emphasis on consumer food prices is vital in view of the recent upsurge in food prices at the wholesale level.

Finally, I endorse the President's goal of getting the rate of inflation down to 2.5 percent or less by the end of 1973. This is an ambitious goal but not an unreasonable one. I think we can make it.

SAFETY AND HEALTH IN METAL AND NONMETALLIC MINES

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

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today introducing legislation to repeal the Federal Metal and Nonmetallic Mine Safety Act because, paradoxical as it may sound, that is the best way to promote health and safety in these mines. The effect of the repeal is not to leave metal and nonmetallic miners without the protection of Federal safety law; rather it is to make them subject to the Occupational Safety and Health Act of 1970, a much stronger and more effective statute than the Metal and Nonmetallic Mine Safety Act.

The Metal and Nonmetallic Mine Safety Act was a forward-looking, progressive piece of legislation when it was enacted, and I am proud to have been a member of the subcommittee that developed it. But we have now had 6 years of experience under that act, and we have also—through the enactment of the Federal Coal Mine Health and Safety Act of 1969 and the Occupational Safety and Health Act of 1970—acquired a great deal more experience in writing safety and health legislation.

The Select Labor Subcommittee's hearings last year demonstrated at least two major weaknesses in the Metal and Nonmetallic Mine Safety Act—and my bill is designed to correct both of them. The first weakness is in the administering agency.

We placed enforcement of safety and health responsibility in the Bureau of Mines because we thought that its technical expertise in mining operations made it the logical agency to protect the worker's safety and health. But we were wrong. The Bureau of Mines' basic charter is to promote production and that, we have found, is inconsistent with rigorous enforcement of safety laws. Safety and maximizing production are not always consistent goals—and the Bureau of Mines has shown that workers will not be adequately protected while their lives are in the hands of an agency that is "production first" oriented.

The failure of the Bureau's enforcement program is evident from the figures. The injury frequency rates have not declined in the industries subject to this act, while experience under the Longshore Safety Act, administered by the Department of Labor, demonstrates conclusively that a well enforced safety law will bring injury rates down.

The most appalling evidence of the ineffectiveness of the Bureau of Mines program in the metal mining area is the disaster at the Sunshine Silver Mine in Kellogg, Idaho, in May 1972. The interim report of the independent hearing examiner on that disaster is a tragic indictment. Let me just quote a few sentences from his report:

> It is evident that a large number of deaths and the magnitude of the disaster are a direct result of inadequate safety standards, industry-wide poor safety practices, the lack of training of the miners in the event of a disaster, and the fact that no one expected a disaster of this magnitude to occur. Further, not only are some standards inadequate, but they have been diluted and rendered ineffective by interpretation.

We will not have a vigorous enforcement program in this industry until we transfer responsibility to the Department of Labor. That is what my bill does, and it insures that the Department of Labor will have sufficient experience in the mining field by transferring to that Department the personnel in the Interior Department who have been engaged in the administration of the law.

We have, as I said before, learned much about the relative efficacy of different enforcement procedures in occupational safety and health laws. The Occupational Safety and Health Act of 1970 is the distillation of that experience. It improves in many ways the procedures of the Metal and Nonmetallic Mine Safety Act, and I am attaching to my statement a memorandum outlining the weaknesses of that act which are improved in the Occupational Safety and Health Act.

Mr. Speaker, death and injuries in the mines are not inevitable. Effective safety and health laws effectively administered

can make a difference. It is time that the metal and nonmetallic miners of this country received the protection that they deserve—and that my bill will provide.

I include the following:

WEAKNESSES OF PUBLIC LAW 89-577—FEDERAL METAL AND NONMETALLIC MINE SAFETY ACT

STANDARDS

There are no mandatory interim standards.

There is no time limit within which permanent mandatory standards must be set.

The Secretary of Interior is bound by formal rule-making procedures which can often be lengthy.

Under a state plan, standards do not have to be at least as effective as the federal ones.

There is no provision for a variation in standards and for the employees to be informed of one.

There are no emergency temporary standards.

There is no general duty to cover unique circumstances where no standards have been promulgated.

There is no distinction in the standards between gassy and nongassy mines.

ENFORCEMENT

Inspections

The inspector is required to visit each mine only once per year.

There is no prohibition against advance notice of an inspection.

There is no provision for the employee representative to accompany the inspector.

There is no provision for the employees to get the results of an inspection.

There is no requirement for an inspector to *reinspect* to determine if an employer has corrected a violation of a standard.

Penalties

There are no mandatory penalties.

There are only *permissive civil* penalties:

(1) if the Secretary of Interior *chooses* to bring a civil action for failure to correct a violation of a standard;

(2) if the Secretary of Interior chooses to bring a civil action in the District Court for failure to abide by a reporting requirement;

(3) if the Secretary of Interior *chooses* to bring a civil action for an employer's refusal to permit an inspection or for interference with an inspector.

There are permissive criminal penalties if:

(1) the Secretary of Interior wishes to bring an action for refusal to comply with a withdrawal order in cases of imminent danger causing death or serious physical harm;

(2) or refusal to comply with an order of debarment.

THE FIRST 60 MINUTES

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

Mr. DOMINICK V. DANIELS. Mr. Speaker, 60 years ago, before antibiotics even began to affect mortality rates due to infectious disease, heart attacks replaced tuberculosis as the Nation's leading killer. According to major cardiologists and public health officials, heart disease has grown in epidemic proportions with over 39 percent of all deaths occurring in the Nation directly related to cardiovascular disease.

I am today reintroducing legislation that could cut these tragic figures by as much as 60 percent, by making the most use of the victim's "first 60 minutes"—that time during which most deaths occur. This bill provides for the amendment of title XII of the Public Health Service Act to grant Federal assistance to local communities to institute programs in the area of emergency cardiovascular service. It is designed especially to expedite the application of care directly to the patient in an attempt to save a large portion of those lives lost during the "first 60 minutes." By dispatching to the patient a cardiologist, nurse, technician and, driver-attendant in an ambulance specially equipped with a portable electrocardiograph and defibrillator, the patient's condition may be assessed and treated in a fraction of the time it now takes. The damage to the heart can be determined immediately by the electrocardiograph and, if necessary, the heart reactivated with the defibrillator. Instead of transporting the patient to a medical facility for proper emergency treatment, these medical facilities in the form of the "heart-saver squad" are now taken to the patient.

In 1971 in my own district, 83 percent of all deaths were due to heart attacks and blood vessel disease. Death due to cardiovascular disease struck every 13 minutes and the American Heart Association has estimated that 40,200 will die of heart disease in New Jersey during 1973.

As long ago as June 1971, a national commission of heart disease specialists confirmed that the first step to be taken to lower the high death toll, should be the creation of mobile and stationary life support units where trained personnel could monitor and treat with drugs or electrical equipment, the potentially fatal heart rhythm abnormalities. Several communities and organizations in the country today have created "heart-saver squads" in the hopes of dramatically cutting these needless fatalities. Seattle, Wash., Charlottesville, Va., and Columbus, Ohio, now have in operation mobile coronary units and professionals trained in the use of defibrillators, drugs, and other treatments in the home.

Recently, former President Lyndon Johnson, suffered a heart attack and his life may have actually been saved by the mobile coronary care unit of the University of Virginia. It was indeed fortunate that he was within reach of one of the handful of "heart-saver squads" in the entire Nation. There should be no difficulty in seeing that the benefits of this lifesaving unit should be available to every single one of our Nation's cardiovascular victims.

This dreaded killer is unique in its swiftness and random nature. Most of those who die from coronary problems do so very quickly, therefore the irreplaceable benefits of capable and thorough emergency care are only too obvious. In recent years, scientists and physicians have made significant advancements in heart transplants and other surgical techniques, as well as the development of artificial devices to provide temporary or permanent circulatory assistance to damaged or failing hearts. There are many medical promises available to a heart attack victim if only he can survive the acute early stages of his attack.

The number of people that will die this year of heart attacks compare with all the death losses in all the wars of this Nation; 30 to 60 percent of these deaths can be eliminated by the speedy application of proper medical treatment during "the first 60 minutes."

CONGRESSIONAL REFORM

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

Mr. BROOKS. Mr. Speaker, on Wednesday, January 3, I introduced a measure which would make an important contribution to congressional reform by restoring direct authority over all facets of the legislative branch of our Government to the Congress.

Under our constitutional system, the smooth functioning of our Government depends upon the separation of Federal power between the executive, the judicial, and the legislative branches, and the maintenance of the proper balance of power between them. Thus, I find it unacceptable that a number of key officials in our legislative branch are appointed to office by the President rather than the Congress itself.

We find that the Public Printer, the Librarian of Congress, the Comptroller General and Deputy Comptroller General of the United States, as well as the Architect of the Capitol, are appointed by the President, although they serve as subordinate units within the general framework of the legislative branch of the Government.

H.R. 63 would provide for the appointment of these officials by the Congress rather than the President. It would direct the Speaker of the House of Representatives and the President pro tempore of the Senate to make each appointment alternately, with the first such appointment being made by the Speaker of the House.

I want to emphasize that my bill is not directed at the performance of any of the incumbents now in office. Instead, it reflects my deep concern with the basic operation of our present system. The Congress of the United States, acting through the principal leaders of each chamber, has equal capacity for the appointment of competent individuals to these posts. I urge my colleagues to give serious consideration to the provisions of H.R. 63 in order that we might more effectively meet our constitutional responsibilities. In my judgment, officials who serve in subordinate positions within the framework of Congress should logically be appointed by the Congress.

JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS

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

Mr. BROOKS. Mr. Speaker, the Joint Committee on Congressional Operations was created by the Legislative Reorganization Act of 1970. I have had the honor of serving as its first chairman. With this 93d Congress the chairmanship will shift to the Senate; therefore, I feel it proper that I report to the Congress on our first 2 years of activities.

The committee attempted to establish a reputation for responsible activity and meaningful accomplishment. What success we had is due entirely to the hard work and outstanding efforts of the committee members and staff. I personally

am deeply grateful for the unflagging support of our vice chairman, Senator LEE METCALF, and the other eight members. They have been dedicated and determined advocates of improving congressional capabilities.

At a time when "congressional reform" is a catch phrase of many congressional observers and particularly our critics, we have attempted to do our job in a realistic, if unspectacular way. How well we succeeded is not for me to say, this is a determination that our colleagues will make for themselves. Therefore, for your information a brief summary of the joint committee's activities follows:

REPORT ON ACTIVITIES OF THE JOINT COMMITTEE DURING THE 92D CONGRESS

SUMMARY

The Joint Committee on Congressional Operations, created in the 1970 Legislative Reorganization Act, maintained a full schedule of activities during the 92nd Congress.

With Rep. Jack Brooks of Texas as its first Chairman and Sen. Lee Metcalf of Montana as Vice Chairman, this new committee—

Conducted hearings and reported recommendations on proposals designed to improve the Congressional budget process;

Reviewed and reported on implementation of provisions of the 1970 Act intended to give Congress better access to more meaningful Federal fiscal and budgetary information.

Compiled and published in a single source rules adopted by the committees of Congress;

Prepared and issued a series of reports identifying court proceedings and actions of vital interest to the Congress; and

Established an Office of Placement and Office Management for Congress, and published Congressional Handbooks containing information on the allowances, emoluments, and privileges accorded Members of both Houses.

The committee also began or completed a number of staff studies pertaining to congressional operations, prepared for hearings—on the relationship between legislative immunity and Congress' ability to gather and disseminate information—to be conducted during the 93rd Congress, and held seminars for new congressional staff personnel.

All of the committee's activities over the past two years, described in greater detail below, have been carried out in accordance with its mandate as defined in the 1970 Act.

COMMITTEE ORGANIZATION

Representative Brooks and Senator Metcalf were elected to serve as chairman and vice chairman, respectively—the chairmanship alternates between the House and Senate every two years—at the committee's first organization meeting on March 18, 1971. Committee organization was completed on March 30, with adoption of rules and procedure.

Other Members of the committee were: Representatives Robert N. Giaimo of Connecticut, James G. O'Hara of Michigan, Durward G. Hall of Missouri, and James C. Cleveland of New Hampshire; and Senators Mike Gravel of Alaska, Lawton Chiles of Florida, Clifford P. Case of New Jersey, and Richard S. Schweiker of Pennsylvania.

Appointed as permanent committee staff employees were: Eugene F. Peters, Executive Director; Donald G. Tacheron, Director of Research; Nicholas A. Masters, Staff Director (resigned September 30, 1971); Raymond L. Gooch and George Meader, Staff Counsel; Ann Holoka, Research Assistant; and Cynthia Watkins, Office Manager.

The committee held six days of public hearings and met 12 times to consider staff appointments, proposals and approve reports, discuss hearings, and conduct other committee business.

COMMITTEE ACTIVITIES

Provisions of the 1970 Act give the committee a broad mandate. As defined in title IV, part 2, its duties and responsibilities are to:

1. Make a continuing study of congressional organization and operation; and to recommend improvements designed to strengthen Congress, simplify its operations, improve its relationships with other branches of the United States Government, and enable it better to meet its responsibilities under the Constitution.

2. Identify any court proceedings and actions of vital interest to the Congress or to either House of the Congress; to call these to the attention of the House of Congress specifically concerned, or to both Houses of Congress; and to make recommendations concerning them.

3. Control and supervise an Office of Placement and Office Management.

Activities undertaken by the committee to carry out these provisions included the following:

In its first hearings, the committee evaluated proposals to improve the scheduling of annual authorization-appropriations action so that enactments could be completed prior to the start of the new fiscal year. Four days of hearings were held, with emphasis on numerous proposals to change the Federal fiscal year. Invited to testify were Members of both Houses and representatives of congressional agencies, executive departments, and various private organizations. Additionally, all Governors, all chief State school officers, and the Mayors of 50 cities were asked to submit statements for the record.

The hearings were printed and, together with the committee's report and recommendations, entitled *Changing The Federal Fiscal Year: Testimony and Analysis,* issued November 5, 1971, were sent to all Members of both Houses.

In a related area, the committee conducted an extensive review of implementation of sections 201–203 of the 1970 Act, intended to give Congress—along with other users—ready access to meaningful fiscal, budgetary, and program related data in the executive departments and agencies. Hearings were held in March and April, 1972, with witnesses invited from the General Accounting Office, Department of the Treasury, and Office of Management and Budget. The printed hearings and subsequent committee report, entitled *Improving Fiscal and Budgetary Information for the Congress,* issued August 15, 1972, were sent to all Members of both Houses.

As a part of this review activity, the committee initiated a comprehensive study of congressional needs for information on Federal financial operations. The study, begun by the GAO in mid-1971, is expected to be completed in 18 to 24 months, and the committee will continue its review of implementation of sections 201–203 during that period.

In another project, the committee issued a report containing rules adopted by congressional committees at the beginning of the 92nd Congress. Compiled in cooperation with the chairmen of the various committees, who were asked to submit copies of their committee's rules for inclusion, the report contains rules adopted by 22 House committees, 20 Senate committees, and 3 joint committees. The committee plans to revise this report, *Rules Adopted by the Committees of Congress,* to reflect any committee rules changes made early in each Congress.

Other publications resulting from committee studies were:

Modern Information Technology in the State Legislatures, June 9, 1972, describes automatic data processing systems in use or being developed at the state level; and

The Joint Committee on Congressional Operations, January 1, 1972, describes the committee's purpose, jurisdiction and rules; and contains a brief description of changes in congressional organization and operation over the past decade as well as statistical information on congressional activity, names of House and Senate Leaders, committee chairmen, and congressional agency heads.

Committee publications have been distributed widely. For example, the committee responded to 5,120 requests for *Rules Adopted by the Committees of Congress,* 1,880 for *Improving Fiscal and Budgetary Information for the Congress,* 1,280 for *Changing the Federal Fiscal Year: Testimony and Analysis,* and 1,445 for *Modern Information Technology in the State Legislatures.*

Identifying court proceedings

In October, 1971, the committee issued the first in a series of reports identifying court proceedings and actions of vital interest to Congress. Four such reports have been issued since then, each of them listing additional cases and including any new action on cases described in the preceding reports.

The most recent of these cumulative reports, complete to September 25, 1972, contains a summary of the brief and the status of 38 actions in the following areas: Constitutional qualifications of Members of Congress, Constitutional immunities, powers of congressional committees, Constitutional powers of Congress, congressional access to executive branch information, Officers and agents of Congress, and other actions involving Members in their representative capacity. The 164-page report also contains the text of recent decisions on cases identified for inclusion.

In addition to the cumulative reports, the committee prepared and distributed two special reports in areas of general interest to many Members. The committee responded to 1,817 requests for copies of the first of these, *Decisions of the United States Supreme Court* (*United States* v. *Brewster,* and *Gravel* v. *United States*), issued on June 29, 1972; and to 2,430 requests for copies of the second, *The Franking Privilege of Members of Congress,* issued October 16, 1972.

The final cumulative report, for the 92nd Congress to be issued in early January, 1973, will include final action on all cases pending during the two-year period. The committee has arranged to distribute these reports regularly to all Members of both Houses as well as congressional committees, law schools, and other interested individuals and organizations.

Office of Placement and Office Management

The committee conducted a survey of congressional offices during May, June, and July, 1971, to determine what kinds of assistance Members, officers, and committees required in recruiting, and training qualified staff personnel and in applying modern office management techniques. Based on results of this survey—which included interviews with Members and staff in 49 congressional offices and committees—the committee began providing services through its Office of Placement and Office Management in January, 1972.

The committee assumed full responsibility for the Placement Office, previously operated by the U.S. Department of Labor, on January 3, 1972. The Placement Office is situated on the first floor of the House Annex (former Congressional Hotel) and in Room B–46 of the Russell Senate Office Building. Among placement services provided are:

Preliminary applicant interviews on a walk-in basis.

Maintenance of qualified applicants by job categories.

Submission of resumes in response to job orders for review by the congressional offices involved. (The Placement Office submits a number of resumes of qualified applicants for each job opening; it does not make final selection among candidates for employment.)

Use of Placement Office services is increasing steadily, with 1066 job orders received from congressional offices to date. Some 200 applicants are given preliminary interviews by the office each week.

In November, 1972, in accordance with objectives defined in sections 402(a) and 402(b) of the 1970 Act, the committee printed and distributed loose-leaf handbooks consolidating information on allowances and other support services available to Members of the House and Senate.

Prepared by the Office of Placement and Office Management, the 200-page *Congressional Handbook*—The House and Senate versions differ to reflect the different allowances and procedures for obtaining them in the two Houses—describes information sources, privileges of Members, and other information pertaining to establishment and maintenance of congressional offices.

Copies of the handbooks have been distributed to all re-elected, incumbent and newly elected Members of Congress, officers of the House and Senate, and congressional committees. Material in the handbooks will be revised periodically as needed and new pages containing updated allowances, procedures, etc., will be sent to those receiving these publications from the committee.

STUDIES AND ACTIVITIES IN PREPARATION

In addition to work completed, as indicated above, the committee initiated a number of preliminary studies for hearings or reports and planned training programs for new House and Senate staff employees. Included, are background studies relating to questions to be considered in hearings on legislative immunity and its relationship to Congress' ability to gather and disseminate information. Topics on which such studies are under way are the origin and development of the doctrines of legislative, executive, and judicial immunities; the court's jurisdiction over issues involving operations of Congress; judicial and executive actions relating to the separation of powers doctrine and executive privilege; and proposals for establishing a counsel for Congress. The hearings have tentatively been scheduled to open in February, 1973. Other studies scheduled for completion during the 93rd Congress are:

A. Congressional capability for utilizing communications media more effectively in reporting to the American people. The study objectives are to:

1) describe the existing imbalance between executive and legislative branch communications capabilities;

2) analyze and assess the consequences of this imbalance; and

3) develop recommendations for a communications strategy providing Congress with the techniques and access to the media necessary to offset the massive and increasingly sophisticated use of mass communications by the President and executive agencies.

B. Decisions of the Federal courts in cases which have significantly affected the operations of Congress. This compilation will include cases of historic and legal importance in these major categories:

1) the separation of powers doctrine as it affects the legislative functions of Congress;

2) congressional investigations and the power to solicit information by contempt proceedings;

3) congressional power over elections and qualifications of members; and

4) legislative immunities.

Each chapter will contain selected material from law journals and other legal periodicals as well as the complete text of the official reports of the cases selected for inclusion, providing in a single source the major court interpretations of the constitutional functions and prerequisites of the Congress along with the implications of these interpretations as viewed by legal commentators.

C. Responsiveness of legislative agencies, including the Government Printing Office, General Accounting Office, Library of Congress, and Architect of the Capitol.

D. Detailed description of the plans of the General Accounting Office and the Congressional Research for upgrading their information capabilities to meet new requirements of the 1970 Legislative Reorganization Act. Also under way is a general survey of the operation of other provisions of the 1970 Act that are within the review and study jurisdiction of the committee.

E. Current and prospective applications of modern information technology in the Congress. The study will include summary descriptions of such systems in both Houses, the GAO, Library of Congress, and Government Printing Office.

Training for new staff employees was offered by the committee through its Office of Placement and Office Management during the second week in January, 1973. The purpose of the training sessions was to acquaint key staff appointees with various problems that can be anticipated in the day-to-day operation of a congressional office. The *Congressional Handbook* is used as the basic text for these sessions, with discussion leaders selected from among experienced House and Senate staff personnel. Subjects covered include office organization, constituent relations, casework, and sources of information. The sessions were attended by 125 individuals representing the staffs of 64 Representatives and 12 Senators.

EQUAL POWER TO THE CONGRESS

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

Mr. PICKLE. Mr. Speaker, I make remarks today in conjunction with the introduction of a bill to put an end to setting national priorities with a bookkeeper's ledger.

Today, I am introducing, along with my colleagues a so-called impoundment bill. I call this bill an equal power to the Congress bill.

The bill I am introducing was presented last year by our outstanding colleague, former Congressman Bill Anderson of Tennessee. I cosponsored the Anderson bill last year, and I take this opportunity to salute his work in this area. I salute his initiative, also.

And even though Bill is not here to reintroduce his bill, those of us in Congress, who question the President's capricious impoundment of congressionally appropriated moneys, must continue efforts to get the Anderson bill passed, in some form at least.

Already several of my distinguished colleagues have introduced impoundment legislation, and I understood some Members will do so today.

Some of these bills will be the same, or similar, while others will be substantially different.

Mr. Speaker, whatever the final form is, we need an impoundment bill.

Mr. Speaker, I plan to listen to all ideas; I plan to work to get something that will pass both Houses of Congress above being bullheaded for my bill only.

I urge all Members to do likewise.

Basically, Mr. Speaker, the bill I introduce today is to require congressional approval of Federal moneys impounded by the executive department.

The bill would require the President to notify Congress within 10 days if appropriated funds are impounded. The notification must include the amount of funds, the specific projects or governmental functions affected, and the reasons for impounding the funds.

Unless, and I emphasize unless, Mr. Speaker, both the House and the Senate ratify the impoundment, the President could hold up Federal moneys approved by Congress no more than 60 days.

This legislation would require the House and the Senate to take up debate on the impoundment by resolution to approve or disapprove of the freezing of funds under a privileged rule that would not refer the impoundment notification to committee for study or hearings.

The bill provides that Congress must ratify the impoundment within 60 days or else the money must be released. Also, there are several safeguards to make sure Congress allots sufficient time to consider the impoundment resolution within the 60-day period.

Quite frankly, Mr. Speaker, the Office of Management and Budget has become the "invisible Government" of the United States.

This title used to be reserved for the CIA; but, Mr. Speaker, there is a committee of Congress to oversee the CIA.

The newspapers are the only source I have to learn where the Presidential ax will fall, and has fallen. The OMB is delivering the blows of that ax, Mr. Speaker.

It would be humorous, if it were not so serious, but I and my staff cannot keep up with what congressional programs are being abolished daily.

Now, Mr. Speaker, nearly 200 years ago, the Constitution established the basic framework of our Government.

The people were to elect, first House Members, and then later in our history, both House and Senate Members.

These Members of Congress were to come to Washington, examine how much money the Government had, and decide how to spend that money.

Although not as simple as I have described, generally the Congress is still supposed to function on these principles.

The executive branch was to take the moneys appropriated by Congress, and administer the money in the most efficient manner.

Mr. Speaker, it just does not work this way anymore.

Instead, through the OMB, the executive branch has begun to act as if it alone could handle the general welfare of this Nation.

Last July 26, I held a special order on the impoundment problem.

At that time, I warned the Congress that someday we would wake up and find that everything we legislated could be meaningless. I warned that we could complain when money for our district was withheld, but that someday everybody's district could suffer. I warned that many philosophies—liberal, conservative, rural, urban, and so on—

would be affected. I warned that someday constituents would request our help and we could do nothing.

Mr. Speaker, I do not intend to repeat what I said last year—this would only clutter up the RECORD.

I do say, with a large degree of alarm, that the someday that I spoke of last year is here. Someday is today.

Since Christmas we have seen rural programs abolished, health funds made meaningless, housing efforts crippled, the environmental commitment rendered puny, education grants slashed, and on and on.

I have sounded the alarm; I have not minced my words.

Before continuing, I must address myself to those who say "So what, when a Democratic President does it, the Republicans holler; and when a Republican President does it, the Democrats holler."

I think that we have passed the stage of partisan rhetoric.

My distinguished friend, former President Lyndon Johnson, said this about the impoundment of funds many years ago when he was in the U.S. Senate:

> Do we have a centralized control in this country? Do we no longer have a co-equal branch of government? I had the thought that we had a constitutional responsibility to raise an army; I had the thought that we had a responsibility to appropriate funds. I had the thought that once the Congress passed the appropriation bill and the President approved it and signed and said to the country that "this has my approval" that the money would be used instead of sacked up and put down in the basement somewhere.

That Mr. Johnson later impounded funds as a President does not detract from the validity of the questions he asked as a Senator.

To those who say, "Why, Thomas Jefferson impounded money for gunboats, and thus impoundment is as American as apple pie," I reply, "If impoundment is applie pie, it is a unhealthy pie—so full of cholesterol to clog the proper arteries of constitutional spending pipelines to give our form of government a massive heart attack."

Let us also examine past impoundments.

Thomas Jefferson did not spend the money for the gunboats because they were no longer needed.

Can we say the same for our water pollution program? I think not.

Abraham Lincoln impounded funds under his war powers as Commander in Chief during the War Between the States.

But the impounding of funds was not much of an issue in those days. Departments and agencies communicated their financial needs informally to the Congress with no coordination by the executive branch. As the country grew, however, the system displayed obvious difficulties, and in 1921 the Bureau of the Budget was founded. It was a part of the Tresury Department until 1939. Then, because of the vast financial problems of the depression and the organizational problems created by the New Deal agencies and law, the Executive Office of the President was created and the Bureau of the Budget became an official arm of the President.

This agency wielded increasing power over the various agencies and departments in determining their budget requests. Although this power was of concern to some, I do not think anyone ever basically questioned the right and duty of the President to formulate a budget and use an instrument such as the Bureau of the Budget to do it.

The first major conflicts between the President and the Congress occurred after World War II when President Harry Truman used impounding as a major method to convert from peacetime to wartime priorities. And up until very recently, almost all impoundment questions have centered around military appropriations. President Harry Truman froze the funds for the U.S.S. *United States* and for military aircraft. President Dwight Eisenhower impounded funds for the Nike-Zeus missile. President Kennedy impounded funds for the B–70 bomber.

Yet, perhaps because the major cases were isolated and sporadic, no great and united long-range concern was voiced.

It goes without saying that today impoundment is not an isolated occurrence.

I think that we are aware that some say that the President has statutory authority to impound funds.

I think that this is a false argument.

Basic statutory authority for impoundment derives from the Anti-Deficiency Acts of 1905 and 1906. These acts sought to prevent, and I quote, "undue expenditures in one portion of the year that may require deficiency or additional appropriations to complete the service of the fiscal year." These acts further provided that apportionments could be waived or modified in the event of "some extraordinary emergency or unusual circumstances which could not be anticipated at the time of making such apportionment."

The Anti-Deficiency Act was amended in 1950, giving the then Bureau of the Budget somewhat more discretion. But even these amendments do not give the Executive total authority over the direction of expenditures by the Federal Government.

The Office of Management and Budget was created by the President under Reorganization Plan No. 2 of 1970.

In essence, the functions vested by law in the Bureau of the Budget were transferred by the President to the Director of the OMB.

By Executive order the functions of OMB were defined, and I include this order to show that preparation of the budget as such was no longer to be the dominant overriding concern of the new agency.

I include this order also to show that in no part does it direct the OMB or give the OMB power to alter or override prerogatives and priorities set in congressional legislation:

> STATEMENT OF FUNCTIONS.—By Executive Order 11541 of July 1, 1970, all functions transferred to the President of the United States by part I of Reorganization Plan 2 of 1970 were delegated to the Director of the Office of Management and Budget. Such functions are to be carried out by the Director under the direction of the President. The Office's functions include the following:
>
> 1. To aid the President to bring about more efficient and economical conduct of Government and service.
>
> 2. To assist in developing efficient coordinating mechanisms to implement Government activities and to expand interagency cooperation.
>
> 3. To assist the President in the preparation of the budget and the formulation of the fiscal program of the Government.
>
> 4. To supervise and control the administration of the budget.
>
> 5. To conduct research and promote the development of improved plans of administrative management, and to advise the executive departments and agencies of the Government with respect to improved administrative organization and practice.
>
> 6. To assist the President by clearing and coordinating departmental advice on proposed legislation and by making recommendations enactments, in accordance with past practice.
>
> 7. To assist in the consideration and clearance and, where necessary, in the preparation of proposed Executive orders and proclamations.
>
> 8. To plan and promote the improvement, development, and coordination of Federal and other statistical services.
>
> 9. To plan and develop information systems to provide the President with program performance date.
>
> 10. To plan, conduct, and promote evaluation efforts to assist the President in the assessment of program objectives, performance, and efficiency.
>
> 11. To plan and develop programs to recruit, train, motivate, deploy, and evaluate career personnel.
>
> 12. To keep the President informed of the progress of activities by agencies of the Government with respect to work proposed, work actually initiated, and work completed, together with the relative timing of work between the several agencies of the Government all to the end that the work programs of the several agencies of the executive branch of the Government may be coordinated and that the moneys appropriated by the Congress may be expended in the most economical manner with the least possible overlapping and duplication of effort.

The following statement from the Congressional Research Service of the Library of Congress sums up the OMB's present statutory authority to impound funds:

> Even as amended as it is hard to see how the language of this section can be interpreted to give the Bureau of the Budget unlimited discretion to apportion reserves. The establishment of reserves is authorized "to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements, greater efficiency of operations, or other developments *subsequent to the date on which such appropriation was made available.*" This seems to preclude the establishment of reserves simply because of a disagreement of policy between the Executive and Legislative Departments on the basis of the facts existing at the time the appropriation was made.

In other words, the Anti-Deficiency Acts provide for the sound fiscal management of the appropriations and policies set by the Congress. They do not give statutory authority for the OMB and the President to ignore congressional appropriations and policies.

Yet I think you are aware that is precisely what is happening today.

Finally we came to the constitutional

question. Some say that the President has the constitutional authority to impound money.

I will not pass myself off as a great legal mind. Instead, I ask you to weigh and value the opinion of two men—Senator SAM ERVIN of North Carolina and Supreme Court Justice William Rehnquist.

Senator ERVIN, recognized as the leading constitutional scholar in the U.S. Senate, has introduced a bill in the Senate similar to the one I and my colleagues are introducing today.

He has joined an amicus curiae brief in an impoundment case before the U.S. Court of Appeals for the Eighth Circuit. This is a case filed by the State of Missouri against the authority of OMB to withhold money for highway construction in Missouri.

Twenty-three Senators joined the brief, as did I and my colleague BENJAMIN ROSENTHAL of New York and MORRIS UDALL of Arizona.

This brief point blank states that the President does not have the authority to impound, under the Constitution, congressionally appropriated money.

So Senator ERVIN's position is clear—the Constitution does not give the President authority to impound money.

There is another opinion on this question that carries weight—Supreme Court Justice William Rehnquist.

When Justice Rehnquist was Assistant Attorney General in the Office of Legal Counsel of the Department of Justice he authorized a memorandum which stated:

> With respect to the suggestion that the President has a Constitutional power to decline to spend appropriated funds, we must conclude that existence of such a broad power is supported by neither reason nor precedent.

Not being facetious, I note that Justice Rehnquist is a strong Republican, and a strict constructionist of the Constitution.

I feel his opinion is to be valued also.

Of course, I have introduced a bill to allow the President to impound money for 60 days without congressional authority. First, I note that this may contradict the position that I took on the amicus curiae brief. I maintain that if the judicial branch has to settle the question of impoundment, I will join the issue on that battlefield as well as in Congress.

I would, however, want to see Congress settle the question.

Furthermore, I think that we all realize that impoundment is sometimes good management—for example, if a ship can be built for less money than appropriated by Congress, then the executive should not spend all the money. Perhaps if money appropriated for a disaster was more than needed once the emergency was met, impoundment could be a useful tool.

I also do not think it is healthy to resolve the impoundment question in the atmosphere of judicial drama—such an approach would only be another abdication of responsibility by the Congress.

So let us pass the bill I and others propose today, or a similar piece of legislation.

Let us say to our countrymen, "The 93d Congress again made the United States a government of three equal branches."

A greater gift we could not give to this country as we approach our 200th anniversary.

Mr. Speaker, I thank my colleagues for their time; I commend to them the legislation that has been introduced.

SOFT DRINK BOTTLERS' BILL

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

Mr. PICKLE. Mr. Speaker, last year the Federal Trade Commission filed complaints against soft drink companies which market their product under a franchise system including exclusive rights to certain geographical territories. On the surface, the FTC move would appear to be a true move against monopoly and for open competition in the public interest.

Last year I pointed out how this surface appearance was deceptive.

At the risk of being accused of being redundant, I want to repeat the argument in favor of a soft drink bottlers' bill.

The fact is that the peculiar market conditions in this industry mean that these actions could result in precisely the opposite effect. Indeed, it threatens to turn a highly competitive industry of about 3,000 local manufacturing concerns into a oligopoly-controlled industry with little chance for the small manufacturer to compete, with little price competition, with reduced service or an end to service for smaller retail outlets, and with loss of easily identifiable manufacturer responsibility for producing a pure quality beverage.

Clearly this is not in the interest of free enterprise or in the interest of public well-being.

Clearly this is an unusual and exceptional case where the congressional intent of the Federal Trade Commission Act would be strongly violated by an enforcement of the tenets of that act.

Today I join 12 other Texas colleagues in introducing legislation to correct this exceptional circumstance and preserve an important element of small business enterprise across this land. Many other Members of Congress have introduced similar legislation.

The bill is intended to assure that where the licensee of a trademarked soft drink product is engaged in the manufacturing, distribution, and sale of that product, he and the trademark owner may include provisions in the licensing agreement which give him sole right to manufacture, distribute, and sell the trademarked product in a defined geographic area.

The manufacturer is subject to the conditions that, first, there be adequate competition in that area between the trademarked product and products of the same general class manufactured, distributed, and sold by others; that, second, he is in free and open competition with vendors of products of the same general class; and that third, he is in accordance with the Trademark Act of 1946.

The circumstances which necessitate this legislation are tied up in the route delivery marketing method which characterizes this industry. This method has produced intensive competition between the bottlers for the trade of virtually every large or small establishment which serves soft drinks.

It has also seen the growth of a large and healthy small business in local bottlers in countless towns across the country.

If the exclusive territorial system is abolished, however, then large volume buyers who deal with many final outlets in several areas will be able to purchase one small franchise nearest their key warehouses and distribute that product all over the country.

Those few bottlers nearest these warehouses—who can also come up with the capital necessary to switch to the production of canning or nonreturnable containers preferred by large volume buyers—will stay in the game.

The small bottler who is not near the warehouse will be doomed. Or he will be forced into a market consisting solely of small outlets, "mom and pop" stores and the like, and I wager we will soon see a necessary hike in prices there due to the costs of delivery.

This is not the intention of the Federal Trade Commission Act, and it is not in the public interest. I urge the House, therefore, speedily to take action to preserve the high competition which now exists in this industry.

NEGOTIATED SETTLEMENT OF VIETNAM WAR

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

Mr. RUPPE. Mr. Speaker, last Saturday morning, I voted with the majority of my colleagues in House Republican conference to support a resolution endorsing the efforts of the President to end the Vietnam war through a negotiated settlement. My support of this resolution reflects an obvious desire to see the conflict ended without further bloodshed and in such manner that our prisoners of war will be returned and those missing in action will be accounted for.

For the record, however, I want to clarify my position. Like every American, I share the fervent hope that the negotiations which began again this week in Paris will be concluded successfully. It was this hope that was expressed in my vote for the resolution passed in the Republican conference. However, that vote in no way reflects any support on my part for the unprecedented bombing of North Vietnam which took place between December 18 and December 30. These raids were in my view unwarranted and not consistent with what I view as the major goal of our policy in South Vietnam: the return of American POW's and accounting of those missing in action. Mr. Speaker, I am convinced that the December bombing raids were not in the best interest of this Nation, if we are to assert our moral leadership and national conscience.

A NATION UNREADY FOR LE GRAND RICHARD

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

Mr. McFALL. Mr. Speaker, the New York Times of Monday, January 8, 1973, contains a timely and perceptive essay by our colleague, Mr. BRADEMAS of Indiana, on the subject of the President's relations with the Congress.

Mr. BRADEMAS gives an admirable summary of the reasons this Congress promises to be an active one. Mr. Speaker, the thoughts of the gentleman from Indiana on this subject are of value to all of us, and for the convenience of Members I will insert his essay at this point in the RECORD.

A NATION UNREADY FOR LE GRAND RICHARD

(By JOHN BRADEMAS)

WASHINGTON.—When President Nixon tries to pass himself off as an American Disraeli, do not be beguiled. It's Charles de Gaulle, with his supreme contempt for the legislative branch of government, whom Mr. Nixon really admires.

The President's vetoes of bills unanimously passed by bipartisan majorities, his impounding of appropriated funds, his attempts to create super-departments by Executive flat rather than legislation—all these sections make obvious Mr. Nixon's intentions to spurn any Congressional olive branches that may be offered him.

But if the President is feeling feisty after his impressive victory, he should take care, for the 93d Congress promises to be one of the most active and assertive in years.

Here are some of the reasons for expecting a resurgent Congress in 1973 and '74.

Despite the Nixon landslide, Democrats kept solid control of both the House and Senate. If the American people had intended a mandate for the President's policies, they would have given him a Republican Congress to carry them out. If the President insists he won a mandate on Nov. 7, then we in Congress have a right to say we did too.

Another reason to expect more from the next Congress—and get it—is that Senate Democrats, bolstered by two additions, are already busily shaping their own legislative program for early action. Majority leader Mike Mansfield has warned that Democrats won't wait for Administration proposals but will use their 57-to-43 margin to send their own bills to the floor.

In the House, Speaker Carl Albert, with one term of experience in the high office, and the new majority leader, Thomas P. O'Neill Jr. of Massachusetts, will be in much stronger position to give leadership on Democratic initiatives. For example, the accession of Representative J. Ray Madden of Indiana to the chairmanship of the Rules Committee will mean more cooperation from that key unit than the House leadership has known in a generation.

In addition, the absence from the new House—because of death, defeat, resignation or retirement—of six committee chairmen and six of the top ranking Republicans on committees will, in several cases, produce more constructive, aggressive leadership than their predecessors gave.

There is a third reason to anticipate a renascent Congress in the next two years. Not only most Democrats but also a number of Republican Senators and Congressmen oppose the Administration's attempts to centralize executive powers in the White House staff, the impounding of funds, the attacks on press and threats to television, the still unexplained Watergate campaign tactics.

All these are reasons the voters did not give Mr. Nixon a compliant Congress; they are also among the reasons it won't be compliant.

Senator Sam Ervin of North Carolina and Representative Chet Holifield of California, Chairmen of the Government Operations Committee, will fight the effort to establish super-departments run by Presidential assistants who, when Congress tries to question them, plead executive privilege and immunity from public accountability.

The President's refusal to spend money Congress voted to meet urgent problems is already being challenged in the courts and will bring a constitutional confrontation with Congress as well.

And many Republicans in Congress, peeved that President Nixon failed either to speak for them or share his copious campaign funds, also feel their Democratic colleagues' resentment that he waited till Congress adjourned before vetoing bills, some passed unanimously, to help older Americans, the severely disabled and flood victims.

With no opportunity in late October to override the vetoes, Congress will act swiftly to approve these measures.

Nor will the Administration's threat to hold local television stations accountable for reporting to the Government on the content of network news contribute to improving relations with Congress.

Nor, it seems safe to add, will Mr. Nixon be helped on the Hill by his failure to bring peace in Vietnam and his renewal of the bombing.

The 93d Congress—as its Democratic leaders in both the House and Senate have made perfectly clear—will cooperate with President Nixon in the interest of the nation. But neither Congress nor the American people are ready for Le Grand Richard in the White House or to change the name of Camp David to Colombey-les-deux-Eglises.

LEGISLATIVE PROGRAM

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

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority whip the program for the rest of this week, if any, and the legislative schedule for next week, if any.

Mr. McFALL. Will the gentleman from Michigan yield to me for that purpose?

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

Mr. McFALL. Mr. Speaker, there is no further business for today, and I will ask that the House go over until Monday. On Monday we plan to ask to go over until Thursday. There is no legislative business scheduled for next week, as far as I know, unless we possibly have elections to some committees. We hope to complete the organization of the committee so that they can begin meeting on legislation.

Mr. Speaker, I understand there are some resolutions out of the Committee on House Administration that we may be taking up on Monday.

ADJOURNMENT OVER TO MONDAY, JANUARY 15

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

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

There was no objection.

HOUSE OF REPRESENTATIVES HOLIDAY RECESS SCHEDULE—1973

Mr. McFALL. Mr. Speaker, the following is the holiday recess schedule for 1973:

Lincoln's Birthday, Monday, February 12: From conclusion of business on Friday, February 9 until noon, Monday, February 19.

Washington's Birthday, Monday, February 19: Reading of the Farewell Address only.

Easter, Sunday, April 22: From conclusion of business on Thursday, April 19 until noon, Monday, April 30.

Memorial Day, Monday, May 28: From conclusion of business Thursday, May 24 until noon, Tuesday, May 29.

Fourth of July, Wednesday, July 4: From conclusion of business Friday, June 29 until noon, Thursday, July 5.

August recess, from conclusion of business Friday, August 3 until noon Wednesday, September 5.

The House will be in session the first and third Fridays of every month if legislation is available prior to the August recess. The House will be in session every Friday after Labor Day.

Further recesses will be announced after Labor Day.

CONCERNING THE LEGISLATIVE PROGRAM

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

Mr. GROSS. Mr. Speaker, I would like to ask the gentleman from California a question concerning the resolution or resolutions. Is it one resolution or more than one resolution that is to be considered on Monday, and will they be available to the Members of the House before Monday?

Mr. McFALL. I am advised that there may be several resolutions out of the Committee on House Administration for Monday. At this time I am not advised as to how many there will be or what the content of the resolutions will be.

Mr. GROSS. Does the gentleman know whether those resolutions will be available before Monday?

Mr. McFALL. I assume they will be. But if the gentleman will allow me some opportunity to find out the answers to his questions in the next few minutes, I will be glad to answer them for him, but I do not have that information at the present time.

Mr. GROSS. I thank the gentleman.

PROVIDING FOR CONTINUED FUNDING OF INTERSTATE AND DEFENSE HIGHWAYS

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

Mr. ROGERS. Mr. Speaker, I am introducing today legislation which provides for the continued funding of the National System of Interstate and Defense Highways. This bill authorizes the Secretary of Transportation to make ap-

portionments of highway trust fund moneys for interstate highway construction for fiscal years 1974 and 1975.

Six States have already exhausted their supply of interstate funds, and are unable at the present time to let any contracts. By March that number will have grown to 19, and by June, 36 States report that they will have no interstate highway funds to spend.

The cost of delay could be staggering. Costs will rise by millions of dollars due to increases in costs of labor and materials and land acquisition. But the greatest cost of the delay is in the thousands of highway deaths that could be prevented by the completion of this lifesaving system. Each year 55,000 persons are killed on our Nation's highways, a number that could be significantly reduced due to the proven increased safety of the interstate highways.

For this reason, Mr. Speaker, I urge support of the present bill, which through simple and direct action can help bring an end to the costly delay in construction of our system of interstate highways.

ELECTRONIC RECORDING OF MEMBERS' VOTES

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

Mr. ROGERS. Mr. Speaker, the first session of the 93d Congress will be marked by a great advance in House procedure; namely, the replacement of the rollcall by electronic recording of Members' votes. Required by the Legislative Reorganization Act of 1970, this new system has been estimated to cut in half the time required for recording votes. At that rate, it is estimated that the system will pay for itself in about one Congress, in terms of Members' time saved.

Mr. Speaker, I would like to call to the attention of the House the part played in the development of this voting system by two Ft. Lauderdale, Fla., firms, Communication Equipment & Engineering Co., and National Identification Corp. In a display of great ingenuity, these companies developed and manufactured the five main display boards mounted above the press gallery and the two summary display panels mounted in each end of the House. This type of hidden-front display, duplicating our existing decorum, has never been accomplished before.

Mr. Speaker, these firms are to be commended for turning a difficult assignment into a great achievement, one which should have a salutory effect on the deliberations of this Chamber in the years to come.

AIR TRANSPORTATION SECURITY ACT OF 1973

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

Mr. ECKHARDT. Mr. Speaker, 16 of my colleagues and I have introduced today the Air Transportation Security Act of 1973. The crux of the bill is the following provision:

SEC. 3. (a) Consistent with the Federal Aviation Administration's general authority and duty to provide rules and regulations necessary to provide adequately for safety in air commerce, the Director of the Federal Bureau of Investigation shall have the responsibility to establish, maintain and direct a coordinated national police effort to curb acts of aircraft piracy and destruction of aircraft or aircraft facilities.

The bill then provides a $35-million appropriation for the program.

THE PROBLEM PRESENTED

The problem was most dramatically and tragically presented by the incident which occurred at the Houston airport on October 29, 1972.

On that day Stanley Hubbard, an Eastern Airlines ticket agent, was confronted at nighttime by four men armed with pistols and a shotgun who stormed the gate, and the courageous ticket agent, in a heroic attempt to protect the passengers on the Eastern Airlines flight, lost his life in attempting to stop these desperadoes.

What was needed was a police presence acting pursuant to a delineation of responsibility which would marshal all the skills of crime detection, police intercommunication and ultimate frustration of the crime and arrest to the unique problem at hand. Such need was tragically lacking.

In the first place, though the FBI had special reason to believe that Charles Tuller and his associates might well be in the Houston area and they knew that they had robbed a bank in the District of Columbia area, the FBI apparently did not engage in any special surveillance of the Houston airport nor inform the airport or Federal or local police authorities of imminent danger. The Federal Aviation Administration had merely given the Houston airport routine information, commonly afforded to other airports, that the Tullers were aboard and were potential hijackers.

In the second place, there were only 17 armed Federal agents assigned at the Houston airport. Since there are two buildings with four terminal areas each of which would need to be guarded at a minimum, it would take no less than 24 such Federal agents to man these points on a three-shift, 24-hour basis.

In the third place, the means of detection of arms was so close to the entrance of the plane that the use of force to prevent boarding would be about as dangerous to passengers in the accordion walkway as would be the use of force aboard the plane.

In the fourth place, the police presence was under divided authority and direction, most of the Federal agents being under the Bureau of Customs, at times perhaps two under the FBI, and others under the authority of the city police force—all with no clear responsibility to any coordinating head.

The matter of coordination of activity and assignment of paramount responsibility and authority for police activity is, in my opinion, the major concern to which legislation should be addressed, and that is what my bill addresses.

THE SOLUTION OFFERED

This bill would not change the delineation of the authority to the Federal Aviation Administration respecting screening of passengers in air transportation. The broad, general framework contained in 49 U.S.C.—1421(a)(6) is adequate and preferable to a more detailed statutory directive. That section states that—

The Administrator is empowered and it shall be his duty to promote safety of flight of civil aircraft in air commerce by prescribing . . . Such reasonable rules and regulations, or minimum standards, governing other practices, methods, and procedure, as the Administrator may find necessary to provide adequately for national security and safety in air commerce.

The Administrator has put into effect rules requiring carriers, as a condition of carriage, to require that passengers and property intended to be carried in the aircraft cabin in air transportation be screened by weapon-detecting devices, just as is required in section 203 of S. 39. What is lacking is neither statutory authority nor administrative will to accomplish these objectives but rather a police presence with both the expertise and the manpower to aid in the detection of the hijacker, to frustrate his plans, and to arrest him.

UNDERLYING POLICY MATTERS

We should be most reluctant to create a new Federal police authority within the Federal Aviation Administration. Such would necessitate authorization of police functions, newly established and specifically stated, such as detention, search, arrest, and inspection of property, and the question would be raised as to whether or not there is a congressional intent to extend search and seizure provisions further toward their constitutional limits than they are now extended in existing law.

Of course, it must be understood that our constitutional ban on unreasonable search and seizure does not arise from the English sporting spirit that gives the fox a chance but rather from a just reluctance to treat every poor dog as if he were a predator.

Fourth amendment concepts arise from deep feelings based upon very real American experiences, and they are not to be taken lightly. As was pointed out in *Stanford* v. *Texas*, 379 U.S. 476, the American experience with the "general warrant" during the colonial period made indiscriminate searches of persons and places abhorrent to the framers of the Constitution.

It is true that under Adams, *Warden* v. *Williams*, 407 U.S. 143, the police may find reasonable grounds to forcibly stop and engage in protective seizure of a weapon based upon information from the informant. Thus, if the FBI were given police authority and if information were obtained by the airline company that weapons or explosives were likely to be found on the person or in the luggage of a passenger, the FBI could act upon this information. This would obviate the necessity of granting some special authority to a governmental agency to search persons and luggage in connection with air travel.

Granting such special authority raises certain constitutional risks. As is pointed out in "Airport Security Searches and the Fourth Amendment," 71 Columbia Law Review 1039, 1041:

The fourth amendment does not address itself to searches by private parties.

Its impact is upon governmental agencies. *Burdeau* v. *McDowell,* 256 U.S. 465, 475. Thus, I believe it more prudent to follow the course of relying upon FBI general authority, under established constitutional limitations, to engage in police activities and merely to denominate the FBI as the Federal police presence at airports to prevent air hijacking.

The text of the bill follows:

H.R. 1800

A bill to create an air transportation security program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Air Transportation Security Act of 1973."

SEC. 2. The Congress hereby finds and declares that—

(1) The United States air transportation system continues to be vulnerable to violence and air piracy because of inadequate security and a continuing failure to properly identify and arrest persons attempting to violate Federal law relating to crimes against air transportation; and

(2) The United States Government has the primary responsibility to guarantee and insure safety to the millions of passengers who use air transportation and intrastate air transportation and to enforce the laws of the United States relating to air transportation security.

SEC. 3. (a) Consistent with the Federal Aviation Administration's general authority and duty to provide rules and regulations necessary to provide adequately for safety in air commerce, the Director of the Federal Bureau of Investigation shall have the responsibility to establish, maintain and direct a coordinated national police effort to curb acts of aircraft piracy and destruction of aircraft or aircraft facilities.

(b) Programs necessary to carry out such police effort shall be promulgated after consultation with the Administrator, and the Administration and the Bureau shall cooperate in a fully coordinated effort to curb such acts of aircraft piracy and destruction of aircraft and aircraft facilities.

(c) The Director shall establish and maintain an air transportation security force, composed of agents of the Bureau, of sufficient size to provide a federal law enforcement presence and capability adequate to insure the safety from criminal violence and air piracy of persons traveling in air transportation or intrastate air transportation.

(d) The Administrator shall submit semi-annual reports to Congress advising the Congress of any rules and regulations, or minimum standards, inaugurated under its authority to provide adequately for national security and safety in air commerce relating to aircraft piracy and destruction of aircraft or aircraft facilities and shall include in such report an analysis and appraisal of the effectiveness of the program instituted under such rules and regulations or minimum standards. The Director shall likewise report to the Congress semi-annually on the nature and effectiveness of the programs it may place into effect under the authority of Section 3(b) hereof. The Administrator and the Director shall jointly prepare and shall include with their reports a description and appraisal of the method used in coordinating their efforts to achieve the purposes of this Act. The Administrator and the Director shall coordinate their efforts in making such reports and shall include them under one cover, and all of the reports may be consolidated in a single instrument signed by the Administrator and the Director.

SEC. 4. (a) "Bureau" means Federal Bureau of Investigation.

(b) "Director" means Director of the Federal Bureau of Investigation.

(c) "Administration" means the Federal Aviation Administration.

(d) "Administrator" means the Administrator of the Federal Aviation Administration.

SEC. 5. To establish, administer, and maintain the air transportation security program provided in section 3 of this Act, there is hereby authorized to be appropriated for fiscal year 1974 the sum of $35,000,000, and for each succeeding fiscal year such amounts not to exceed $35,000,000, as are necessary to carry out the purpose of such section.

RESOLUTIONS FROM COMMITTEE ON HOUSE ADMINISTRATION

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

Mr. McFALL. Mr. Speaker, with further reference to the question asked me by the gentleman from Iowa (Mr. GROSS) concerning the content of resolutions from the Committee on House Administration as to whether they will be ready on Monday. First, we are uncertain that they will be ready on Monday, because of certain members of the Committee on House Administration being out of town and, second, if they are ready they will be money resolutions to pay employees of committees who are working at the present time but who are not technically members of the committee staff because the committees have not yet been formed. The resolutions would be for that purpose only.

PROPERTY TAX RELIEF FOR THE LOW-INCOME ELDERLY

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes.

Mr. REUSS. Mr. Speaker, I introduce today for appropriate reference H.R. 1862, the Property Tax Relief Act of 1973.

Representatives JOHN BRADEMAS of Indiana, DONALD M. FRASER of Minnesota, and HENRY B. GONZALEZ of Texas are cosponsors of the bill.

Low-income elderly are probably the hardest hit in the Nation by inflation and rising taxes. The homes they live in were purchased many years ago, when property taxes were low and job income was coming in regularly. But now they are retired on small, fixed incomes, supplemented inadequately if at all by social security payments, while property taxes and living expenses have risen drastically, especially in urban areas. The result is excessive taxes, often as much as one-third of total income.

Yet, moving away from a heavily taxed home is not always a feasible solution. There is often a sentimental attachment to the old familiar property. The task of moving is a burdensome one for the elderly. And at the present time decent yet inexpensive housing is often simply not available.

To meet this problem, H.R. 1862 provides property tax relief to those over 62 with a total yearly income of $5,000 or less. The relief extends to elderly renters as well as homeowners—it is assumed that 25 percent of rent payments are in effect for property taxes.

Normally, the relief comes as a credit against Federal income tax. But for those eligible persons whose income is so low that they owe less income tax than the amount of relief due to them, a direct cash refund is substituted for the credit.

The refund or credit is intended to offset only that portion of the property tax that is well in excess of what can be considered a fair burden. It works like this:

Property taxes are considered unusually high if they exceed a certain percentage of household income. This percentage increases as household income increases. After determining the amount of the tax which is excessive, 75 percent of this amount is credited or refunded.

To insure that only truly needy persons receive relief, applicants must list all forms of money income, including nontaxable income such as social security, veteran's disability benefits, public assistance payments, and railroad retirement benefits. In addition, the bill limits the amount of property taxes that can be used in computing relief to $500. Thus, if a householder has property tax payments of $600 he can only use $500 of that in computing his refund or credit.

As one might expect, the upshot of all this is a rather complicated formula. For those who are curious, the formula is in section 1603 of the bill. The following table lists the size of the credit or refund which is available in some representative cases:

Property tax	*Total household income*	*Credit or refund*
$100	$1,000	$75.00
$300	1,000	225.00
$500	1,000	375.00
$100	2,000	18.75
$300	2,000	168.75
$500	2,000	318.75
$100	3,000	0.00
$300	3,000	63.75
$500	3,000	213.75
$100	4,000	0.00
$300	4,000	0.00
$500	4,000	108.75

A maximum revenue cost to the Federal Government of $250 million a year is estimated.

Because the bill is closely modeled on Wisconsin's Homestead Relief Act, a brief look at Wisconsin's experience with the law may be helpful.

Enacted in 1964 and liberalized in 1966, 1968, and 1971, the Wisconsin law was the first State "circuit breaker" for property taxes. In fiscal 1972, Wisconsin provided tax relief of $10 million to 79,000 low-income elderly families—15 percent of them renters rather than homeowners—an average payment of about $127. The cost per capita to Wisconsin inhabitants was only $1.53.

Very few of those eligible had incomes high enough to make them subject to the State income tax, so that 98.8 percent of the relief was in the form of a direct cash refund.

In addition to relieving the elderly of the burden of excessive property taxes, the law has had important side effects. It has reduced the tendency of local property taxes to force those with less money to pay a higher proportion of their income for taxes. The law has also had a beneficial effect on income distribu-

tion, since it in effect transfers income from the general taxpaying population to those who are very poor.

The Wisconsin experiment has been so successful that the Advisory Commission on Intergovernmental Relations has recommended that all States follow Wisconsin's lead. Thirteen States have done so. But there is no need to wait for State legislatures to act. We can make this relief available now by using the Federal income tax system.

VINCENT MICHAEL CARTER

The SPEAKER. Under a previous order of the House, the gentleman from Wyoming (Mr. RONCALIO) is recognized for 5 minutes.

Mr. RONCALIO of Wyoming. Mr. Speaker, I rise to pay tribute to a former Member of this body, the late Vincent Michael Carter, who represented the State of Wyoming in the 71st, 72d, and 73d Congresses.

Mr. Carter, whose funeral was conducted on January 2, 1973, in Albuquerque, N. Mex., had a distinguished career of public service to his State and Nation.

He was born on November 6, 1891, in St. Clair, Pa. He moved with his parents in 1893 to Pottsville, Pa. and attended public and high school there. He also attended the U.S. Naval Academy Preparatory School in Annapolis. He studied at Fordham University and in 1915 received a degree in law from Catholic University in Washington, D.C.

Four years later, in 1919, he was admitted to the practice of law in Wyoming, beginning in Casper. He moved in 1929 to Kemmerer, Wyo., continuing the practice of law.

During World War I, he served as a lieutenant in the Marine Corps in the Eighth Regiment, Third Brigade. He was a captain in the Wyoming State Militia from 1919 to 1921.

Mr. Carter served as deputy attorney general of the State of Wyoming from 1919 to 1923 and as State auditor from 1923 to 1929.

He was elected to the U.S. House of Representatives in 1928, serving in three consecutive Congresses. He was the unsuccessful Republican nominee for the U.S. Senate in 1934.

He then resumed his law practice in Cheyenne and retired in 1965.

Mr. Carter was a devoted member of the Republican Party who, in addition to his public office, also was a delegate to the national conventions of the Republican Party in 1936 and 1940. He spent the last 6 years of his life in retirement in Albuquerque.

LEGISLATION TO SAVE EASTERN WILDERNESS

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

Mr. SAYLOR. Mr. Speaker, over 16 years ago, on June 11, 1956, I introduced the first wilderness bill in the House of Representatives. The purpose of that bill was to assure the American people that we would protect, as one element of our land use system, "an enduring resource of wilderness."

Eight years later, it was my pleasure to stand beside the President when the Wilderness Act was signed into law on September 3, 1964. Our original purpose had been achieved: We had laid the foundations for a national wilderness preservation program.

Today, it is my pleasure to introduce another wilderness bill, in company with my distinguished colleague and friend from Florida, the Honorable JAMES A. HALEY. Ours is a bill to further the purposes of the Wilderness Act; it builds directly on the foundations Congress laid down long ago. By designating 28 new wilderness areas in the East, the South, and the Midwest, this proposal will bring the benefits of wilderness closer to home for the large part of our population concentrated in these regions.

OUR WILDERNESS PRESERVATION POLICY

The purpose of the original Wilderness Act of 1964 was to establish a national policy and to lay the foundation for a practical program to preserve areas of wilderness. That act established the national wilderness preservation system, to be comprised of areas designated for preservation as wilderness by the Congress. That initial act began such a program by designating 9.1 million acres of wilderness in 54 units reaching from California and Colorado to New Hampshire and North Carolina. It also outlined a process for studying additional areas for later addition to the wilderness system, and specified the areas to be studied.

Since 1964, we have been engaged primarily in implementing this wilderness review program by carrying out these required studies. After some initial delays, that process has worked well and is on schedule. The agencies of the executive branch are continuing to submit their wilderness proposals to the Congress.

The Congress, too, began somewhat slowly in considering these new wilderness proposals with the first bills not being passed until 1968, just 4 years ago. There were obstacles along the way, but today we find that earlier policy problems are being resolved, and earlier hindrances are being cleared away. While I am not entirely happy with the progress to date, I am confidently looking forward to an acceleration of the wilderness review process in the Congress.

In order to stimulate an accelerated consideration of wilderness proposals, I will introduce a series of bills embodying all current wilderness proposals, both from the executive branch of the Government and from citizen groups.

Mr. Speaker, even as we accelerate and complete the study and designation of areas mandated for review by the Wilderness Act, we must not fail to recognize the urgent need to extend the wilderness program beyond those first foundations we established in the 1964 act.

WILDERNESS IN THE EASTERN UNITED STATES

Increasingly in the past year, attention has focused on the importance of providing wilderness areas for the eastern half of the United States. Although the question has assumed a special urgency, it is not new. Early efforts by citizen groups in West Virginia, Alabama, and elsewhere have coalesced into a regionwide movement to preserve the wilderness in the East, the South, and the Midwest.

Nothing could be more encouraging to me than this growing interest in wilderness in the East. In taking up this question, we are broadening our efforts. We are not turning away from continuing wilderness action needs in the West and in Alaska. Additionaly, we are also redressing an imbalance.

When we passed the Wilderness Act, we gave statutory protection to lands in our national forests which had previously been classified as wilderness, protected by administrative regulations. Because most of those administratively established wilderness areas had been in the West, the original statutory units of the national wilderness preservation system were concentrated in the West. But there is wilderness in the eastern half of the United States, too. And make no mistake about it, this eastern wilderness has its proper place within the protective framework of our national wilderness preservation system.

Of course, the wilderness review program did not ignore the eastern half of the country. Of the 54 original national forest wilderness areas designated by the 1964 act, three were in the East, as well as the boundary waters canoe area in Minnesota.

Since 1964, as the review process has brought wilderness proposals to the Congress, and as these have been enacted, we have designated new eastern wilderness areas. The first was the Great Swamp Wilderness in New Jersey. We have since added the Wichita Mountains Wilderness in Oklahoma, the Moosehorn Wilderness in Maine, a number of important wilderness islands in Florida, and the Seney Wilderness in northern Michigan, among others.

These are diverse areas. Some of the areas had once felt the disturbances and impacts of man's works, including some logging, roads and human occupation. Nonetheless, those impacts had passed. Natural forces had restored the land and its community of life, so that each was an area which "generally appears to have been affected primarily by the forces of nature, with the imprint of man's work substantially unnoticeable," to quote from the practical definition of "wilderness" found in section 2(c) of the Wilderness Act.

These areas have been our start on wilderness in the East. There are other areas in our eastern national parks, our national wildlife refuges and our eastern national forests which are similarly suitable for designation as wilderness. We need to get on with the job of identifying these areas and moving them through the Congress for inclusion in the national wilderness preservation system.

MISINTERPRETING THE WILDERNESS ACT

This is the course we should pursue in a practical program to extend wilderness protection to suitable lands in the eastern half of the country. But some people would have us believe this practical course cannot be followed. We must start from scratch, they suggest, considering whole new alternative policies and mechanisms. They say—we cannot apply the Wilderness Act, or they tell us, it will not work in the East.

This curious idea stems from the faulty premise that, for some reason, no lands in the eastern half of the country can qualify to be designated as wilderness. Because such lands have felt the impact of past human disturbance, this argument goes, they are not suitable to be wilderness, and they never can be.

Mr. Speaker, it is difficult to see how this peculiar misinterpretation of the Wilderness Act arose. It certainly has no basis in the Wilderness Act. I can say that with every assurance. Nor does it come from the Congress, which has been applying the Wilderness Act to eastern lands, including once-disturbed lands, since September 3, 1964. Nor does this "no wilderness in the east" idea come from the administration. The President is behind the Wilderness Act, and he has been all along as a matter of priority. Many fine eastern wilderness areas have been recommended to the Congress by the President, including lands within the Shenandoah National Park wilderness close by Washington and familiar to many of my colleagues. The President's proposal for that area acknowledges that the lands were once subject to disturbance, including settlement and logging, but finds that natural influences have led to a degree of restoration allowing it to qualify under the Wilderness Act.

Despite all this—the act itself, the precedents set by the kinds of areas Congress designated in the act, and the position of the administration—some people continue to suggest that the Wilderness Act will not work for the East. The act, they tell us, is too narrow, too rigid, and too pure in its qualifying standards.

Very frankly, those who take this position are wrong.

I fought too long and too hard, and too many good people in this House and across this land fought with me, to see the Wilderness Act denied application over an entire half of the country by this kind of obtuse or hostile misinterpretation or misconstruction of the public law and the intent of the Congress of the United States.

I will not go into this question much further here. Those who wish to pursue this misinterpretation of the Wilderness Act will find me a most interested listener and questioner at committee hearings on this and other wilderness bills. We shall get to the bottom of any remaining, unresolved problems or questions about the act's applicability in sessions before the Interior and Insular Affairs Committee.

Mr. Speaker, I am the author of the Wilderness Act in this House. I know very well what it says and what it intended, and I know how it was intended to be applied in a practical program. It comes as no surprise to me that some people oppose the wilderness program. I have spent more than 25 years of my life doing battle with those people, and I have been winning right along. If they want to come before me with a lot of hokum about "purity" and "diluting the high standards of the Wilderness Act" and so forth, they are welcome to do so, but I ask them to come with their eyes opened and prepared for battle.

EASTERN NATIONAL FOREST WILDERNESS

Mr. Speaker, I have recently seen a very interesting official document of the U.S. Forest Service, signed by two regional foresters.

This document is a proposal that the Forest Service take the lead in promoting a new, alternative mechanism for preserving lands in the eastern national forests. The authors say that the Wilderness Act is no good. To quote:

The criteria for adding wilderness to the National Wilderness Preservation System do not fit conditions in the South and East.

Through they have made no systematic study and held no public hearings about wilderness in the East, they have the audacity to report—

We are persistently reminded that there are simply no suitable remaining candidate areas for Wilderness classification in this part of the National Forest System.

This is an intriguing document, for it makes a lot of strong assertions about what is or is not wilderness. The document is apparently designed to be a policy statement of the U.S. Forest Service. Just in recent days, I have learned of efforts by local Forest Service officials in several States, including Illinois and Missouri, to drum up public support for proposed alternative legislative based on the thinking in this particular document.

I sincerely hope that this line of thinking does not permeate the Forest Service. I continue to hope that these anti-Wilderness Act statements are not the current official position of the agency and its new chief. It is a matter I will be looking into very closely in this Congress.

Let me simply state—those of us who fought for the Wilderness Act, fought to obtain statutory protection for these important areas. We battled specifically to put Congress in the driver's seat in wilderness decisionmaking. Whether an area is suitable and qualified as wilderness or is not, is a matter to be decided by the Congress, and by the Committee on Interior and Insular Affairs and its counterpart in the Senate—and not by the Forest Service.

If the U.S. Forest Service or its officials attempt to subvert the Wilderness Act and the national wilderness preservation system, or usurp the powers of the U.S. Congress in this field, they had best be prepared for a monumental struggle with this House.

EASTERN WILDERNESS AREAS ACT

The bill which Representative HALEY and I are introducing today is being introduced simultaneously, in substantially the same form, in the other body by Senator HENRY M. JACKSON of Washington and Senator JAMES L. BUCKLEY of New York. These bills enjoy great public support, not just in the Eastern States, but throughout the country. These proposals are the positive answer to those who would have us believe there is no wilderness in the East.

The bill we have introduced proposes the designation as wilderness, 28 new areas, each within a national forest in the East, the South, and the Midwest. Sixteen States are represented, and the areas total 471,186 acres. Most of the proposals—the first 16 listed in the bill—result from thorough field studies and careful planning by local citizen groups. These conservationists, having found the Forest Service unwilling to help obtain the protection of the Wilderness Act for their areas, have brought their proposals directly to the Congress. The other proposals—the last 12 listed in the bill—are derived from a listing by the Forest Service of areas they propose for alternative forms of protection. In doing so, they have asserted that none of these areas are qualified as wilderness under the provisions of the Wilderness Act.

Now this is an interesting assertion, because in most cases it cannot be backed up by fact. We have only one way of deciding what does or does not qualify as wilderness, and that is through the Congress of the United States and its Interior Committees. So we have included these proposals in our bill, and we look forward to learning just why the Forest Service has concluded, without real studies and without any public hearings, and without consulting the Congress, that these areas do not qualify as wilderness.

At the time hearings are held on this bill, we will go into each of these proposals in minute detail. We will hear from the Forest Service, but I think we should also hear from sources more willing to take a positive approach to the opportunities presented with the existence of the Wilderness Act. Therefore, I am issuing an invitation and an appeal to citizens and conservation groups across the Eastern States.

I urge them to study these and other eastern national forest areas, to go over maps and air photographs of the lands, to research their values and wilderness characteristics, to seek any studies, reports or other information from local Forest Service officials, and to prepare themselves to tell the House Interior and Insular Affairs Committee, their own opinions about the wilderness suitability of each of these areas. In particular, I urge them to look at the boundaries, and especially of the latter 12 areas, to see where expansion may be desirable. I say to them, bring in your own maps, proposing your own boundaries. We in the Congress want to make informed decisions on these areas, and we prefer our information not to be clouded by unwarranted presuppositions which have no basis in the fundamental law about how little the Wilderness Act can do.

AN ENDURING RESOURCE OF WILDERNESS

Mr. Speaker, when I first introduced the original wilderness bill in 1956, I spoke of the importance of wilderness and the real needs we have as a people to save such areas.

We need wilderness, I said then, for the wholesome primitive recreational opportunities it affords so many of our people, that is, places where you can camp beyond the roar of traffic, hike without dodging automobiles, fish without hooking a buddy, or hunt without being afraid of being shot, are getting harder and harder to find. And as these privileges become less plentiful, we suddenly realize that we want them very much.

We need wilderness, I said then, for another reason: The stress and strain

of our crowded, fast-moving, highly mechanized and raucously noisy civilization create another great need for wilderness—a deep need for areas of solitude and quiet, for areas of wilderness where life has not yet given way to machinery.

And, I said then, we need wilderness for a yet more fundamental, more profound purpose, for in the wilderness we can get our bearings. We can keep from getting blinded in our great human success to the fact that we are part of the life of this planet, and we would do well to keep our perspectives and keep in touch with some of the basic facts of life.

The Wilderness Act emerged from the deep feeling of millions of Americans who rallied to save America's wilderness. Today, in this bill, we take another step in fulfilling this need, and in securing an enduring resource of wilderness for those who will follow in our pathways, needing it all the more.

"BREAD TAX" SHOULD BE TERMINATED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, abolition of the 75-cent-per-bushel certificate tax on wheat used for food should be an objective of high priority for the new Congress. This "bread tax" should be terminated July 1. Under present law, it will continue until July 1, 1974.

This tax adds about 2 cents to the cost of a pound of flour. As a consequence, it increases the cost of a one-pound loaf of bread by almost 2 cents.

I am today introducing a bill to abolish this burdensome and unjust tax on July 1. I present this proposal to my colleagues as an opportunity to respond in a constructive way to the appeals we have all had from consumers concerned about food prices.

By abolishing this bread tax, we will substantially cut the cost of what is veritably the staff of life.

Ironically, the tax applies only on wheat for food uses—like bread and flour—and not on wheat for feed. Pigs and poultry get a better tax break on their food than poor people.

Enactment of my bill will not affect wheat payments to farmers in any way. It will only mean that all money for this purpose will come from general revenues of the Treasury. Under present law, 90 percent of the funds for farm payments come from general revenue, and 10 percent from the bread tax.

It is impossible to conceive a valid argument for financing even 10 percent by this regressive and unjust means.

Some may suggest that this action await congressional action on general legislation to follow the expiration of the Agriculture Act of 1970. My answer is that injustice should be eliminated as quickly as possible. A delay will mean a $400 million burden on those least able to pay for their daily bread.

By a country mile, the bread tax is the heaviest, most excessive and most regressive of all Federal excise taxes. It hits hardest the lowest income people who have the least ability to pay. It has frequently—and accurately—been described as a tax on poor people, and last year it amounted to over 50 percent of the market value of wheat.

Of all Federal excise taxes, I know of none that even approaches 50 percent of the commodity value.

The bread tax seems totally out of place in the President's anti-poverty program. Indeed, it has all the earmarks of an anti-anti-poverty program. The cost of this tax is, of course, passed on to consumers. Department of Agriculture statistics show clearly that wheat flour consumption goes up sharply as family income goes down, dramatically illustrating the regressive nature of this tax.

HOME USE OF WHEAT PRODUCTS PER PERSON PER WEEK

[In pounds]

Annual income per family	Southern United States	U.S. average
Under $2,000	4.44	3.83
$2,000 to $2,999	3.68	3.15
$3,000 to $3,999	3.41	2.84
$4,000 to $4,999	3.29	2.59
$5,000 to $5,999	3.11	2.58
$6,000 to $7,999	2.90	2.46
$8,000 to $9,999	2.56	2.29

Annual income per family:	*Spent for wheat products Percent*
Under $2,000	6.6
$2,000 to $2,999	5.9
$3,000 to $3,999	5.8
$4,000 to $4,999	5.3
$5,000 to $5,999	5.1
$6,000 to $7,999	4.8
$8,000 to $9,999	4.6

In addition, the wheatgrower is actually being hurt by the present added costs since wheat food consumption is losing to other products not subject to the certificate tax.

It is about time we took this step to help the consumer—and at the same time help the wheatgrower. I call upon all my colleagues with both urban and rural orientation to support this worthy legislation.

This action would remove an indefensible anomaly—the excise tax on automobiles, including the most expensive luxury limousines, was recently removed by Congress. But the bread tax remains.

I hope the President will support this proposal to abolish excise tax on wheat for food. Farmers, consumers, and taxpayers alike will welcome this action. It will be a special blessing to poor people.

SCIENCE POLICY AND THE NATION'S FUTURE

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BELL) is recognized for 5 minutes.

Mr. BELL. Mr. Speaker, I rise today in support of the National Science Policy and Priorities Act of 1973, which I introduced as H.R. 32 into the House of Representatives on January 3. This marks the third session of Congress in which legislation to covert our Nation's technology to address our domestic priorities has been introduced. The 92d Congress saw the Senate pass similar legislation—this must be the session in which it is at long last enacted.

For too long we have directed many of the best minds in the Nation to develop weapons of war, while neglecting the problems of peace.

For too long we have considered the massive unemployment of our scientists and engineers caused by fluctuating Federal budgets to be unchangeable and irremediable.

For too long we have been forced to fund huge projects of limited practical value merely for fear of the unemployment which would result from cancellation.

We as a nation cannot afford to let America's technical and scientific expertise lie fallow, to force our scientists and engineers to leave their professions, and to discourage today's students from entering scientific careers. The Government's thoughtless and callous lack of planning has created the crisis we have today. It is now the Federal Government's responsibility to direct our scientific expertise and manpower into useful, productive, and responsible channels.

American society has always been technologically oriented. Yet the technological advances which have done the most for the United States and in which Americans take the greatest pride are not the Gattling gun nor the "smart" bomb; they are innovations which have improved the quality of our lives, such as the telephone and the automobile. We need a strong defense, certainly, but we need more than security if America is to continue to offer a life worthy of her heritage.

The bill I have introduced is designed to encourage the innovation of technologies addressed to the quality of our everyday lives. Projects would be funded for research and development in such areas as health care, transportation, housing, nutrition, education, public safety, and communications. And because American society is so technological, we must continue development of new methods to control the disadvantages from the effects of existing technologies: the pollution of our air and water; the depletion of our energy resources; and the disintegration of our urban centers.

The need is seemingly infinite. If we can successfully accomplish this conversion of our technological resources, we will free ourselves of the patterns of thought which foster inaction in the change of the Nation's priorities, and we will free ourselves of the terrible waste of technological unemployment. There really can be no "if" about the enactment of this measure or its equivalent. The Congress must pass legislation, and pass it soon, if we are to build both a healthier society and a sound economy based on the productive utilization of our scientific and technological resources.

Briefly, the National Science Policy and Priorities Act of 1973 creates a new agency, the Civil Science Systems Administration, within the National Science Foundation. The CSSA will perform research, design, testing, evaluation, and demonstration of civil science systems capable of providing improved public

services in areas of direct benefit to all our citizens here and now. The program will be carried out through contracts and grants to industry, universities, nonprofit organizations and other agencies, and it is identical to the program outlined in the bill passed by the Senate last year and very similar to the modifications to H.R. 34 I proposed in 1971. The current bill authorizes $870 million to fund these projects over the next 3 years.

H.R. 32 differs from S. 32 as passed by the Senate chiefly in its provisions to protect the basic research mission of the National Science Foundation. Testimony at hearings held last fall indicated serious concern that the new program would engulf the NSF as we know it today. Accordingly, H.R. 32 sets up two parallel administrations within the NSF—the CSSA to administer the applied science functions authorized by this bill, and the Science, Research and Education Administration to administer the NSF's pure science functions. Both the CSSA and the SREA are headed by Deputy Directors of the NSF, and the Director of the NSF continues to have overall administrative responsibility. A key provision of H.R. 32 prohibits the transfer of funds from SREA programs to CSSA programs, and guarantees that the SREA shall receive at least 40 percent of the NSF's total budget. I am certain that these provisions will maintain the essential basic research conducted and supported by the National Science Foundation, while enabling that agency's expertise to be used in the implementation of civilian science systems research.

Other titles in the bill provide for a definition of national science policy, and funds for retraining programs and much-needed local government hiring of unemployed technicians. Yet the CSSA is the heart of this legislation, and should become a dramatic focus for applied science in the 1970's.

Under the leadership of Senator KENNEDY, the National Science Policy and Priorities Act received an overwhelming bipartisan endorsement in the Senate. It deserves the support of every Member of this House.

BILLS INTRODUCED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, as we begin the 93d Congress with many high hopes, I am reintroducing a number of bills which, I believe, will go a long way toward solving some of our major domestic concerns.

The five measures include:

A bill to provide mandatory life imprisonment sentences for persons convicted for the second time of illegally distributing narcotic and other "hard" drugs.

A bill to permit taxpayers to deduct costs of his or her families' education at institutions of higher learning, trade schools or vocational schools.

A bill to remove restrictions against the private carriage of first-class mail.

A bill to restore to American citizens the right to buy, sell, and hold gold.

The drug and firearm bills, which I first introduced last spring, both call for first offense sentences of from 2 to 25 years. Currently, the United States Code provides for a 1- to 10-year sentence for the first felony committed with a firearm and a 2- to 25-year sentence for the second offense. Illegal distribution of narcotic and other dangerous drugs currently calls for imprisonment of up to 15 years or a fine of up to $25,000 for the first offense and up to 30 years or $50,000 for the second offense.

President Nixon indicated last fall he supports stiffer punishments for drug pushers and at that time I promised the President I would reintroduce my bill which was not acted upon by the House Committee on Interstate and Foreign Commerce.

An overwhelming percentage of the constituents of the 12th Congressional District of Illinois supported stiffer penalties for drug pushers in my 1972 annual questionnaire. Ninety-seven percent of the over-21 respondents and 86 percent of those under 21 said penalties should be increased.

In addition, a National Enquirer survey said more than 90 percent of the Nation favored life imprisonment for second offenders.

The quickest, solution to the growing drug problem is to eliminate the pushers, and the best way to achieve that is to lock them up and provide stiff enough penalties to discourage other offenders.

I believe a similar approach is needed to reduce crimes committed with firearms.

Gun control legislation is not the answer. A criminal can get a gun if he wants one. But if the criminal knows he faces a long prison term if he is convicted, he would be less likely to use a firearm illegally.

The tax credit bill is aimed at helping create a diversity in the kind of education available to taxpayers. Credits for education in trade and vocational schools will be particularly valuable in encouraging "non-college-bound" students to further their education in fields more compatible with their talents and interests.

The bill would provide credits of up to $1,000 annually.

I am convinced my post office bill will result in faster delivery of first class mail at lower cost.

Various independent postal services already have proved they can handle the mail faster than the U.S. Postal Service, and generally at much less cost. By allowing private industry to compete for this service, costs undoubtedly will go down and the annual cries of anguish heard at Christmas time from the Postal Service are likely to turn to shouts of joy from carriers who welcome the opportunity to increase their business.

My gold bill would repeal the 1934 prohibition against American citizens holding gold.

THE WAR IN VIETNAM

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. HEINZ) is recognized for 5 minutes.

Mr. HEINZ. Mr. Speaker, I rise to voice my deep concern about the recent course of events in Vietnam. I refer to the bombing, advertent or inadvertent, of civilian areas, most recently dramatized by our B–52 attacks north of the 20th parallel that began December 18. And I also refer to the continuation of hostilities and the apparent deadlock in the peace negotiations themselves.

It was my intention to introduce these remarks on January 3, the day the 93d Congress convened, but procedures would not permit. But I am sure the mail of every Member of Congress reflects, even now as Mr. Kissinger resumes the Paris negotiations, the genuine despair and sense of moral outrage experienced by so many loyal and patriotic Americans. I believe the silence of the White House has served to deepen these already considerable frustrations.

I sincerely hope that the President of the United States concludes a peace in Vietnam quickly and successfully, but I fear deeply for the consequences of failure or continued delay. I fear that Americans have had their expectations raised to new heights by the now-famous October 20 Kissinger "Peace Is at Hand" communique, and by President Nixon's election eve statement that only "minor technical details" remain to be worked out, only to have their hopes dashed and their consciences burdened by what has been described as the heaviest bombing campaign ever. The unwarranted frustration of our country's legitimate aspirations can only broaden and deepen people's cynicism toward Government. This is a price that our Nation cannot afford to pay, and I believe that we in the Congress cannot permit it.

As a Republican, it is my personal and deeply sincere desire to see President Nixon achieve an outstanding record of accomplishment in his second term. Indeed, I hope that history can and will record him as one of the outstanding Presidents of all time. Today I am concerned that he may lose this opportunity if peace in Vietnam continues to elude us. If the war drags tragically on, I fear that the President will lose the trust and mandate of the American people, and that he will lose his credibility as President Johnson before him. And there is the important difference that Lyndon Johnson lost the people's confidence during the last years of his term; for President Nixon to lose the faith of our Nation at the outset of his 4 year term would be destructive beyond comprehension to our Nation's interests.

As a Member in the U.S. House of Representatives, I also believe it is the Congress' constitutional obligation to determine so fundamental a question as that of war or peace. I would remind my colleagues that neither this nor any Congress has declared that a state of war exists between ourselves and North Vietnam, and that the Gulf of Tonkin resolution was repealed nearly 3 years ago. But today the fact is that we are engaged in what nobody doubts is war without any congressional sanction whatsoever.

We are long overdue in taking a stand on our involvement in Vietnam. I believe we are at the time—more than ever—when the U.S. Congress should and must indicate to our people at home and

abroad to our friends and enemies alike, the terms on which we wish to achieve peace in Vietnam.

Without the achievement of peace, I believe it is the duty of the Congress to insist on our Nation's return to the essential provisions of the nine point draft agreement on October 20 terminating our involvement in Vietnam, or cut off funds for all foreign aid to South Vietnam.

I have consistently voted for all responsible end-the-war measures, before the recent peace negotiations which so raised the hopes of all of us. I will in the future vote for such legislation to bring about an end to our involvement in Southeast Asia.

The present situation makes it even more urgent that I and my colleagues in the Congress consider and follow this course of action.

INTERNATIONAL TRADE BILL

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. CLARK) is recognized for 10 minutes.

Mr. CLARK. Mr. Speaker, I introduced an international trade bill in the last Congress. However, trade legislation was set aside by the Ways and Means Committee. The need for legislation of this nature has only become more acute. We cannot carry out our responsibility to the American economy by further postponement. The import situation is not improving. It is destined to get worse.

The fact is that this country has not been on a competitive footing with the other industrial countries since their adoption of our technology and mass production. The plain fact is that the low foreign wages hand in hand with the greatly increased productivity achieved through advancing technology has given them a competitive lead over our producers. This advantage is not really an earned one. If we should lower our wages to the foreign levels we would have no difficulty in competing. Our disadvantage does not arise from relative inefficiency.

The great and miraculous increase in Japanese industrial output about which we have heard so much is not difficult to explain. When these countries installed modern machinery they displaced backward equipment. Naturally, their productivity shot skyward. When we installed new machinery we replaced what was already modern machinery with a yet more modern variety; but our new machinery did not give us as much of a leap in output per man-hour as did the Japanese and the European because the machinery we discarded was itself well advanced over its Japanese or other foreign counterpart. The foreign manufacturers who installed modern machinery were playing catchup ball, so to speak. Once they catch up with us their rise in productivity will become more moderate.

Our trouble arises from the fact that foreign producers have kept wages from rising in keeping with their rising productivity. They have gained a widening competitive advantage over us. The lagging wage levels, or course, stimulated capital formation and business expansion. We have only to look at the trend of our imports and exports if we seek corroboration of this conclusion.

Such export surpluses as we still enjoy are confined to a narrow sector of our economy. In nearly all other manufactures we are in a deficit position. The outstanding exceptions are machinery, both electrical and nonelectrical, including household electronic equipment, computers and aircraft, and chemicals. In machinery our export margin has been narrowing during the past decade. As foreign manufacture of machinery advances, our sales will shrink. If we lose our lead in machinery exports we will be in a distressful condition indeed. Exports of wheat, soybeans, corn, et cetera, will not overcome the unemployment in industry attributable to imports of manufactured goods.

We have every reason to expect our surplus in machinery exports to shrink as our foreign production increases and as other foreign sources will be drawn upon more and more to equip the new factories we build abroad; and also as we replace obsolescent American equipment that we initially installed abroad as our foreign investments expanded. We cannot hope to continue our machinery exports at the same optimum level that we enjoyed when we had a virtual monopoly of high machine tool technology. This has now been diffused throughout the industrial world.

Moreover, foreign producers no longer suffer from their earlier lack of experience and competence in this field. Despite successive warnings over the past few years we seem to be psychologically incapable of grasping the realities of our relatively weak competitive position in the world. Yet it stands to reason that when other industrial countries approach our level of productivity and in some instances catch up with us while their wage levels remain at less than a half of ours and even much less including the so-called fringe benefits, it stands to reason that under such conditions we cannot compete successfully in foreign markets, nor at home with imports. It would be surprising indeed had we not been pushed into a deficit position in world trade.

Mr. Speaker, our actual deficit is really much larger than our official statistics have reflected. First, we tabulate as exports the goods we sell abroad under AID and other programs such as Food for Peace, and so forth. These exports do not move because we are competitive. They move because we pay for them in whole or in substantial part. Some $2½ to $3 billion of exports move under these conditions, consisting mostly of farm products. Then we tabulate our imports, not at the actual cost to us at our ports of entry, but at what we pay for them ready for shipment at the foreign port. This reduces our imports by some 10 percent, as estimated by the U.S. Tariff Commission. Of $50 billion of imports the undervaluation is therefore some $5 billion.

Added to the exports that are not real exports, our deficit reaches a magnitude of $14 billion in our merchandise account. I should add that nearly all the other trading nations total up their imports on a cost, insurance, and freight basis. For example, the cost of the goods plus ocean freight and marine insurance. I understand that we are about to do the same thing. If we do, we will learn that our trade deficit is much worse than has been reported these past few years. I do not believe that we should raise our tariff across the board or even on any large segment of our imports. I do say that we should bring our imports under control. Control of imports does not mean an embargo or even a severe cutback.

We need imports. We are not self-sufficient in all products. We have to import many products that we do not produce in adequate quantity, if at all. Imports are also desirable as a source of competition for our own industries. Beyond that, consumers are entitled to the greater choice of goods made possible by imports.

No one need quarrel with these claims. We may concede these arguments put forward by the liberal trade advocates. At the same time we are right in saying that imports should be controlled so that their low-wage advantage cannot be used to capture too high a share of our market and at the same time undermine our wage standard.

We legislated against child labor and in support of minimum wages over the past few decades precisely because it was regarded as desirable that wages, or rather, wage levels, should not be used as a weapon of competition. As far back as the NRA—National Recovery Administration—we sought to take wages out of the armory of intercompany, interregional and interindustry competition. We did this on the ground that unscrupulous, greedy, or unfair employers should not gain a march on their competitors by either employing child labor or cutting wages to lower levels. Therefore we put a floor under wages.

Now the free trade advocates wish to restore wage competition so long as it comes from abroad. I do not believe that wage competition is any better if it is of foreign origin than when it is practised in this country.

The simplest way to outlaw competition from unconscionably low foreign wages is to draw their teeth as a weapon of competition. While we cannot legislate minimum wages for other countries, we can quarantine ourselves against wage competition from abroad, just as we did it on the home front. The method must necessarily be different.

We can adopt import quotas on products that have already penetrated our market beyond a certain level. We can set reasonable limits on any further penetration and beyond that permit imports to grow in proportion to the increase in consumption in this country of the product in question. We are under no obligation to confer on imports the right of eminent domain in our market. We are under no obligation to permit them to bulldoze our industries out of the way simply because the producers of the goods in other countries enjoy a competitive advantage based on the payment of a level of wages that has long been outlawed in this country. We are not called by international amity or comity among nations to expose ourselves to the cor-

rosive effects of a type of competition that has been put beyond the pale by law in this country.

Wage competition from abroad is no more conducive to a healthy market in this country than such competition was found to be in this country. We had good reason for outlawing wage-cutting as a competitive weapon here. While we cannot use the same weapon against competition from abroad we can nevertheless prevent the evil effects of such competition from being inflicted on us from abroad.

The legislation that I have introduced along with other Members of this body would accomplish this highly desirable goal in a wholly reasonable but effective manner.

Mr. MOSS. Mr. Speaker, I have introduced for myself and my friend and colleague from Michigan, JOHN DINGELL, H.R. 10, the National No-Fault Motor Vehicle Insurance Act.

For many years by letters and complaints from my constituents and other aggrieved auto owners, I was made aware that something needed to be done with regard to automobile insurance in the United States. It seemed everyone had a complaint, but there were few proposed solutions that seemed to be anything more than a patch on the existing system. Accordingly in 1967, in the 90th Congress, I cosponsored with Senator WARREN G. MAGNUSON, of Washington, legislation which was enacted into Public Law 90–313. This legislation provided for a 2-year, $2 million study of our American motor vehicle insurance system by the Secretary of Transportation.

That study produced 23 special reports and a final report "Motor Vehicle Crash Losses and Their Compensation in the United States, a Report to the Congress and the President, March 1971," which was transmitted to the Congress by the Secretary of Transportation on March 18, 1971. The final report set forth the following summary conclusions:

SUMMARY CONCLUSIONS OF FINAL REPORT

1. LIMITED SCOPE OF THE AUTO ACCIDENT LIABILITY REPARATIONS SYSTEM

One major shortcoming of the auto accident liability system stems not from the way it performs but rather from its intended scope of operation, i.e., since only those who can prove that others were at fault while they were without fault in an accident have a legal right to recover their losses. Today, our society need not settle for a reparations system that deliberately excludes large numbers of victims from its protection or that gives clearly inadequate levels of protection to those who need it most. With only 45 percent of those killed or seriously injured in auto accidents benefiting in any way from the tort liability insurance system and one out of every ten of such victims receiving nothing from any system of reparations, the coverage of the present compensation mechanism is seriously deficient.

2. RATIONAL ALLOCATION OF COMPENSATION RESOURCES

The present tort liability reparations system allocates benefits very unevenly among the limited number of victims that it purports to serve. The victim with large economic losses, who generally also suffers more severe intangible losses, has a far poorer chance of being fully compensated under the tort system for his economic loss, much less any intangible loss, than does the victim with any minor injuries. As has been seen, only about half of the total compensable economic losses of seriously or fatally injured victims are compensated from any reparations system. For those whose economic losses were more than $25,000, only about a third was usually recovered. Those with relatively small economic losses, by contrast, fared much better; if they recovered from tort and had losses less than $500, their recovery averaged four and a half times actual economic loss. Despite the popular view that large settlements for automobile accident personal injuries are common, they are, in fact, still a statistical rarity when viewed in the context of the entire population and its losses.

3. COST EFFICIENCY OF THE AUTO ACCIDENT LIABILITY REPARATIONS SYSTEM

The automobile accident tort liability insurance system would appear to possess the highly dubious distinction of having probably the highest cost/benefit ratio of any major compensation system currently in operation in this country. As has been shown, for every dollar of net benefits that it provides to victims, it consumes about a dollar. As it presently operates, the system absorbs vast amounts of resources, primarily in performing the functions of marketing insurance policies and settling claims. The measurable costs of these two functions alone approach in general magnitude all net benefits received by auto accident victims through the tort liability system.

Claims settlement, of course, is complicated by the adversary nature of the tort liability system. The possibility of greater efficiency in some areas, such as sales expense, has been thwarted by local laws and regulatory rules that arbitrarily curb the introduction of potentially more economical approaches, such as group auto insurance.

4. TIMING OF COMPENSATION BENEFITS

The tort liability insurance system tends to deliver benefits without regard to the victim's need, in some cases paying too late and in others too soon. Three different investigations by the Department have demonstrated that despite commendable efforts by the insurance industry to introduce "advance" or partial payment techniques, the system is still, in the main, quite slow in providing benefit payments. The system pays most slowly in cases where the need for timely payment would appear to be greatest, i.e., in cases of permanent impairment and disfigurement. Moreover, the system can operate to discourage early rehabilitative efforts and places a premium upon their deferment beyond the time when they could be most effective.

5. REHABILITATION OF ACCIDENT VICTIMS

Closely related to the problem of delay in the payment of benefits is that of lost opportunities to minimize very large personal injury losses by the timely use of comprehensive rehabilitation programs for seriously injured accident victims. A disappointingly low utilization of rehabilitation by such victims was revealed in one survey, even when it was recommended to the victim.

Admittedly, rehabilitation under certain other loss-shifting regimes, notably workmen's compensation, has also been disappointing. However, this has been largely due to the overconcentration of these programs on reducing their own costs, i.e., on returning the injured person to work as soon as possible in order that the compensation system be able to reduce benefit payments. While vocational rehabilitation does benefit both the insurer and the victim, truly effective rehabilitation must deal with all of the victim's handicaps, including not only those affecting his work performance, but those affecting his non-work activities as well.

To achieve the maximum potential benefits from the rehabilitation process, the relationship between private insurance benefits and the various rehabilitation agencies, including local, state and national agencies, must be consciously and explicitly coordinated and made to be mutually supportive.

6. PROPERTY DAMAGE

The Department's study of the auto accident compensation system focused principally on the bodily injured victim. This priority seemed appropriate for several reasons. First, people are more important than property. Second, the most serious accident losses are associated with people, not property. Third, the present compensation system is doing much better today with property losses than it is with people losses. Fourth, the problems of personal injury losses are far more complicated than those of property losses. Fifth, the principal problems afflicting the compensation of property damage losses are either also present in compensation personal injury losses, or are externalities such as vehicle design or repair costs.

Nevertheless, property damage losses are important; they are very large in dollar value and they affect far more people than injury losses. In recent years the cost of repairing vehicles has risen sharply with a consequent rise in the cost of insuring for that repair. Experts, many of them within the insurance industry, have rightly traced part of this rise to the designs of the vehicles themselves. Unfortunately, there is no way for liability insurance to distinguish between damage-resistant vehicles and fragile vehicles, or between very expensive vehicles and those of less value, because the liability insurer cannot know what kind of a vehicle its insured will negligently strike.

Rating systems for collision insurance have only very recently begun to take any consideration of the vehicle's damageability. Now that the vehicle's contribution to crash losses is widely recognized and being increasingly considered by the insurance community, some countervailing pressure on vehicle manufacturers to design more crashworthy and damage-resistant automobiles may be in the offing.

7. STRAINS ON INSURANCE INSTITUTIONS

The accumulated problems of the tort liability auto insurance system are now making an undeniable impact on the insurance industry itself. Underwriting profits have turned to underwriting losses for many, if not most, companies. Several analyses have indicated that some capital has already been withdrawn from the business of insurance, with a consequent diminution of its ability to offer protection. If such a trend were to persist or accelerate, it would present a social problem of very serious proportions.

Auto insurance today is becoming more and more difficult for many drivers to buy in the voluntary insurance market. Between 1966 and 1969, the number of motorists having to obtain their insurance through assigned risk plans grew from 2.6 million to 3.2 million, or 23 percent. One of the Department's studies estimated that 8 to 10 percent of all drivers were in the "hard-to-place" insurance market in 1968; and recent months have witnessed a further tightening of the auto insurance market, with some major companies either refusing or severely limiting any new business. This development comes at a time when consumers' requirements for automobile insurance protection are increasing if only because of rising medical and auto repair costs.

8. IMPACT ON OTHER PUBLIC INSTITUTIONS

Automobile accident disputes are a major contributory factor to the present problems of the nation's judiciary, even as a multitude of other demands threaten to overburden and, thereby, undermine its effectiveness. Automobile accidents contribute more than 200,000 cases a year to the nation's court

load and absorb more than 17 percent of the country's total judicial resources.

The motor vehicle accident tort liability insurance system also has exerted great strains on the existing system of State insurance regulation. It is not coincidental that the burgeoning problem of insurer insolvencies has been concentrated among specialty auto insurers serving the high-risk market. The resulting difficulties created by these insolvencies for consumers, regulators and the insurance institution in general, have proved so resistant to solution that they have led to proposals for a greater centralization of regulatory control, thereby threatening local initiative and freedom in insurance regulation.

9. HIGHWAY SAFETY AND CRASH LOSS MINIMIZATION

Highway safety research and technology is demonstrably moving from an art to a science. However, the tort liability system has served, albeit not intentionally, to impede the development of this science in many ways. It discourages openness and frankness and encourages deceit on the part of participants about what happened before, during and after crashes. With the effectiveness of safety programs depending upon a scientifically sound understanding of the causes of highway crashes, insured drivers are now routinely instructed by their insurance companies to speak to no one other than the police, and even then to admit nothing, lest their cases be prejudiced. Injured victims are similarly cautioned by their attorneys to avoid disclosure.

With its single-minded preoccupation with driver error or negligence as the determinant of the compensation decision, the tort liability system ignores all other contributing factors to crash losses, such as the vehicle and the roadway. Cars that are poorly designed to resist damages and to protect occupants from injury can turn what should have been a minor crash into a large loss or even a serious tragedy. Yet the tort liability insurance premium does not and cannot reflect the value of the car's protective attributes in any way because the third-party's vehicle is unknown until after an accident has occurred.

In summary, the existing system ill serves the accident victim, the insuring public and society. It is inefficient, overly costly, incomplete and slow. It allocates benefits poorly, discourages rehabilitation and overburdens the courts and the legal system. Both on the record of its performance and on the logic of its operation, it does little if anything to minimize crash losses.

On Tuesday, April 20, 1971, I undertook 8 days of intensive hearings before my Subcommittee on Commerce and Finance on the Department of Transportation's report and the no-fault motor vehicle insurance bills then pending before the subcommittee. In those hearings the administration took the position that no-fault motor vehicle insurance legislation should be adopted, but on a State-by-State basis. It then went on to actively lobby for passage of no-fault motor vehicle legislation in several States. In June of last year the President in a telegram to the National Governors' Conference stated:

No-fault insurance is an idea whose time has come. * * *

The achievement of real automobile insurance reform through adoption of the no-fault principle would be a particularly effective way of demonstrating the responsiveness and farsightedness of state government. I commend those States which already have moved on this important question. I urge that the other States, building on the experience gained so far, make the enactment of no-fault automobile insurance a matter of top consumer priority.

In 1972, 43 State legislatures met and no-fault motor vehicle insurance bills were introduced in 37 of them. Of the other six, four were in restricted sessions that prohibited the consideration of no-fault legislation. The other two States, Massachusetts and Florida, had already adopted such legislation.

Notwithstanding the administration's lobbying efforts in the State legislatures and the proven performance of the limited no-fault system which is in effect in Massachusetts, only three States, Connecticut, New Jersey, and Michigan passed legislation deserving the name "no-fault" in 1972. It reminds one of the performance of the States in enacting workmen's compensation statutes. It took 37 years from the time the first State adopted a workmen's compensation statute until the last State had done so, 1911 to 1948. Surely this cannot be permitted in the case of no-fault motor vehicle legislation.

Taking into account the unyielding opposition of the trial bar and of various segments of the insurance industry, which has proven to be so effective at the State level and the fact that motor vehicle insurance is today a national problem which deserves an effective national solution, the only reasonable alternative is Federal legislation.

Mr. Speaker, I believe that H.R. 10, the National No-Fault Motor Vehicle Insurance Act, is the kind of legislation which should be enacted, and I intend to press toward that goal. This legislation would establish a uniform system of no-fault motor vehicle insurance for the 50 States and the District of Columbia, and would be administered by the Secretary of Transportation. It is patterned after the Uniform Motor Vehicle Accident Reparation Act, UMVARA, which was drafted by the National Conference of Commissioners on Uniform State Laws under a grant from the Secretary of Transportation.

For the information of Members of the House, Mr. Speaker, I would like to insert at this point in the RECORD a section-by-section summary of H.R. 10:

SECTION-BY-SECTION SUMMARY OF THE NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT—H.R. 10

SECTION 1—SHORT TITLE, TABLE OF CONTENTS, DEFINITIONS

As indicated, section 1 gives the legislation its short title—National No-Fault Motor Vehicle Insurance Act—sets out the Act's table of contents, and defines 28 terms used throughout the legislation. No effort will be made here to define these terms. Some of their meanings are self-evident. Since all terms are used throughout this section-by-section in the sense defined, it may be helpful to the reader to give in a general way the meaning of the following important terms, the meaning of which may not be self-evident. It should be emphasized that these are not the precise definitions of the terms. To facilitate checking a definition the number appearing before the following terms is the number of the paragraph in section 1(c) where the term is defined.

(2) "allowable expenses" are reasonable charges for products, services, and accommodations reasonably needed by the injured person.

(3) "basic reparation benefits" means benefits provided under the legislation for net loss suffered through injury arising out of the maintenance or use of a motor vehicle.

(4) "basic reparation insurance" is the insurance required by the legislation to be carried with respect to a motor vehicle. The term includes self insurance.

(5) "basic reparation insured" is the person named in instrument of basic reparation insurance *and* persons not named in the instrument who are related to the person so named and live in his household.

(7) "injury" includes sickness and death.

(8) "loss" is economic detriment consisting of allowable expense, work loss, replacement service loss, and (if injury causes death) survivor's economic loss and survivor's replacement service loss.

(12) "noneconomic detriment" means nonpecuniary damage recoverable under the tort law of the State in which the accident occurs.

(17) "reparation obligor" is one who provides the insurance required by this legislation.

(18) "replacement services loss" is the expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those an injured person would have performed without remuneration for himself or his family.

(19) "Secretary" means the Secretary of Transportation.

(21) "security covering the vehicle" is the insurance covering the vehicle. The vehicle for which the security is provided is the "secured vehicle".

(28) "work loss" is loss of income from work the injured person would have performed if he had not been injured.

SECTION 2—RIGHT TO BASIC REPARATION BENEFITS

This section provides that every person suffering loss from an injury arising out of the maintenance or use of a motor vehicle is entitled to basic reparation benefits if the accident causing the injury occurred in a State (including the District of Columbia). In addition basic reparation insureds and some drivers and occupants of secured vehicles are entitled to such benefits for such losses regardless of where the accident occurs.

SECTION 3—OBLIGATION TO PAY BASIC REPARATION BENEFITS

Basic reparation obligors and assigned claims plans must pay basic reparation benefits in accord with the provisions of the legislation without regard to fault.

SECTION 4—PRIORITY OF APPLICABILITY OF SECURITY FOR PAYMENT OF BASIC REPARATION BENEFITS

In view of the many fact situations which might arise, section 4 establishes priorities of obligation for the payment of benefits. In most instances benefits will be paid under the security in which the injured person is a basic reparation insured, or, if he is not a basic reparation insured, under the security covering the involved motor vehicle.

SECTION 5—PARTIAL ABOLITION OF TORT LIABILITY

Tort liability with regard to motor vehicle accidents occurring in a State is abolished, except in certain specified instances. For example, liability is preserved (1) for damages for work loss, replacement services loss, survivor's economic loss, and survivor's replacement services loss in excess of $200 per week (which are not payable as basic reparations benefits) which occur after the person is disabled six months or dies, and (2) for damages in excess of $1,000 for non-economic detriment, i.e., pain and suffering, etc., if the injured person dies, suffers significant permanent injury, serious permanent disfigurement, or more than six months complete inability to work in his occupation.

SECTION 6—REPARATION OBLIGORS RIGHTS OF REIMBURSEMENT, SUBROGATION, AND INDEMNITY

SECTION 7—SECURITY COVERING MOTOR VEHICLES

This section specifies the manner in which the Federal Government, State and local governments may provide the security required by the legislation on their motor vehicles.

All other owners of motor vehicles registered or operated in a State with their permission are required to provide security on those vehicles for payment of basic reparations benefits and the tort liability coverage required by the legislation.

The manner in which self-insurance, meeting the requirements of the legislation, may be achieved is set out in subsection (d).

No motor vehicle may be registered in any State unless satisfactory evidence is furnished that the vehicle is covered by the security required by this legislation.

SECTION 8—OBLIGATIONS UPON TEMINATION OF SECURITY

Section 8 details what is required of the owner and the insurer where security covering a motor vehicle terminates. It also details the Secretary's duties where he withdraws approval of security provided by a self-insurer or knows that self-insurance with regard to a motor vehicle ceases to exist.

SECTION 9—INCLUDED COVERAGES

It is clearly spelled out that any insurance contract which purports to provide coverage for basic reparation benefits or is sold with such a representation has the legal effect of including all coverages required by this Act. Any contract of liability insurance for injury (unless it provides coverage only for liability in excess of that required by this legislation) includes the basic reparations benefit coverage and minimum tort liability coverage required by this legislation, notwithstanding any contrary provision in it.

SECTION 10—REQUIRED MINIMUM TORT LIABILITY INSURANCE AND TERRITORIAL COVERAGE

Liability coverage of not less than $25,000 for all damages arising out of bodily injury sustained by any person as a result of one accident and of not less than $10,000 for damages arising out of injury to or destruction of property arising out of any one accident is required by this section.

SECTION 11—CALCULATION OF NET LOSS

In determining an individual's net loss for the purpose of calculating entitlement to basic reparations benefits for an injury, there must be first subtracted from the loss certain benefits which he receives or is entitled to receive on account of the injury. Included among the benefits which must be so deducted are those from social security (other than those provided under the Medicaid program), workmen's compensation, and benefits (other than the proceeds of life insurance) received from the United States, a State, any political subdivision of a State, or an instrumentality of two or more States unless the legislation providing for the benefits makes them secondary to the benefits payable under this legislation.

A similar deduction would be made of not to exceed 15 percent of benefits received to compensate for loss of income, to reflect the value of any Federal income tax savings.

SECTION 12—STANDARD REPLACEMENT SERVICES LOSS EXCLUSION

In calculating basic reparation benefits, all replacement services loss suffered on the date of injury and the first seven days thereafter are excluded.

SECTION 13—STANDARD WEEKLY LIMIT ON BENEFITS FOR CERTAIN LOSSES

Basic reparation benefits payable for work loss, survivor's economic loss, replacement services loss, and survivor's replacement service loss arising from one injury to one person may not exceed $200 per week.

SECTION 14—OPTIONAL DEDUCTIBLES AND EXCLUSIONS

Each basic reparation insurer would be required to offer specific deductibles and exclusions, at appropriately reduced premium rates. These would apply only to an individual who is a basic reparation insured under a policy and in the case of his death to his survivors.

The deductibles and exclusions would be as follows:

(1) Deductibles from all basic reparations benefits otherwise payable.

(2) An exclusion, in calculation of net loss, of a reasonable percentage of work loss and survivor's economic loss.

(3) An exclusion, in calculation of net loss, of all replacement services loss and survivor's replacement service loss or a portion thereof.

(4) A deductible of $100 per accident from all basic reparation benefits otherwise payable for injury to a person on a motorcycle.

(5) Exclusions in calculation of net loss, of any of those amounts, and kinds of loss compensated by benefits a person receives or is unconditionally entitled to receive from any other specified source, subject to specified conditions. This would apply to certain hospital, medical, and accident insurance/benefit coverages.

SECTION 15—PROPERTY DAMAGE EXCLUSION

Basic reparation benefits do not include benefits for harm to property.

SECTION 16—BENEFITS PROVIDED BY OPTIONAL ADDED REPARATION INSURANCE

Each basic reparation insurer is required to offer added reparation coverages for work loss, survivor's economic loss, replacement service loss, and survivor's replacement services loss (or portions thereof) in excess of $200 per week (the limit imposed by section 13 on the amount payable in any week for such losses arising from injury to one person).

Other optional added reparation coverages could be offered by basic reparation insurers. The Secretary could require basic reparation insurers to offer specified optional added reparation coverages.

Basic reparation insurers would also be required to offer specified coverages for physical damages to motor vehicles.

SECTION 17—APPROVAL OF TERMS AND FORMS

Terms and conditions of coverages provided under the legislation are subject to approval by the Secretary after consultation with a body or bodies representative of State insurance commissioners.

SECTION 18—ASSIGNED CLAIMS

This section lists the cases in which payment of basic reparation benefits will be made through an assigned claims plan. In those cases, this section also sets out the cases where subrogation occurs, the extent to which benefits from other sources are deducted, and the extent to which deductions and exclusions will apply where a person has failed to obtain required basic reparation insurance.

SECTION 19—ASSIGNED CLAIMS PLAN

This section sets out the manner in which assigned claims plans in the States will be organized and maintained.

SECTION 20—TIME FOR PRESENTING CLAIMS UNDER ASSIGNED CLAIMS PLAN

This section spells out the period within which a person authorized to obtain basic reparation benefits through an assigned claims plan must notify the plan of his claim.

SECTION 21—CONVERTED MOTOR VEHICLES

A person who converts a motor vehicle is with respect to injuries arising from maintenance or use of that motor vehicle disqualified from receiving basic reparation benefits except from security under which he is a basic or added reparation insured.

SECTION 22—INTENTIONAL INJURIES

A person intentionally causing or attempting to cause injury, and his survivors, are disqualified from basic or added reparation benefits for injury arising from his acts.

SECTION 23—REPARATION OBLIGOR'S DUTY TO RESPOND TO CLAIMS

This section specifies the time within which basic and added reparation benefits are payable. Overdue payments bear interest at the rate of 18 percent per annum. In addition it has provisions relating to unpaid benefits from other sources, certain overpayments by obligors, and notice of rejection of claims.

SECTION 24—FEES OF CLAIMANTS ATTORNEYS

The court may award a claimant making a claim for basic or added reparations benefits against a reparation obligor an award of a reasonable sum for attorney's fees and all reasonable costs of suit in any case in which the reparation obligor denies all or part of a claim for such benefits unless the claim was fraudulent, excessive or frivolous.

SECTION 25—FEES OF REPARATIONS OBLIGORS ATTORNEY

A court may, where a claim for basic or added reparation benefits was fraudulent, excessive, or frivolous, award the reparations obligor a reasonable sum as attorney's fees and all reasonable costs of suit.

SECTION 26—LUMP SUM AND INSTALLMENT SETTLEMENTS

If reasonably anticipated net loss subject to settlement in a claim for basic or added reparation does not exceed $2,500 it may be paid in a lump sum. Larger amounts require the approval of a State or Federal court of competent jurisdiction.

SECTION 27—JUDGMENTS FOR FUTURE BENEFITS

This section describes the constraints within which courts must operate in awarding future basic or added reparation benefits.

SECTION 28—LIMITATION OF ACTION

This section describes the period of time within which an action must be brought for basic and added reparations benefits.

SECTION 29—ASSIGNMENT OF BENEFITS

Rights and benefits arising under the legislation may not be assigned, except as to (1) benefits for work loss to secure payment of alimony maintenance, or child support, or (2) allowable expenses to the extent they are for the cost of products, services, or accommodations provided by the assignee.

SECTION 30—DEDUCTION OR SETOFF

Except in limited specified cases, basic reparation benefits are to be paid without deduction or setoff.

SECTION 31—EXEMPTION OF BENEFITS

This action describes the extent to which basic and added reparation benefits are exempt from garnishment, attachment, execution and other processes and claims.

SECTION 32—MENTAL OR PHYSICAL EXAMINATIONS

A State or Federal court of competent jurisdiction may order a person to submit to a mental or physical examination by a physician, if the person's mental or physical condition is material to a claim for basic or added reparation benefits. If the person refuses to comply, the court may enter any just order except finding the person in contempt.

SECTION 33—DISCLOSURE OF FACTS ABOUT INJURED PERSON

This section details the type of information that may be obtained by a claimant for basic or added reparations benefits or a reparation obligor and the method for obtaining it. Generally speaking, the information dealt with is employee earnings and medical data.

SECTION 34—REHABILITATION TREATMENT AND OCCUPATIONAL TRAINING

The basic reparation obligor is responsible for rehabilitation treatment and rehabilitative occupational training if it is reasonable and appropriate, its cost is reasonable in terms of probable effects and it is likely to contribute substantially to rehabilitation. If an injured person unreasonably refuses rehabilitation treatment or occupational training, it may diminish his right to future benefits to which he might otherwise be entitled.

SECTION 35—AVAILABILITY OF INSURANCE

After consultation with the State insurance commissioner, the Secretary is directed to establish and implement, or approve and supervise, in each State a plan assuring that liability and basic and added reparation insurance required by the legislation will be conveniently and expeditiously afforded to persons who cannot obtain it from conventional insurers at rates not in excess of those under the plan.

SECTION 36—TERMINATION OR MODIFICATION OF INSURANCE BY INSURER

This section applies only to motor vehicles which are not covered by a single security agreement covering four or more other motor vehicles. An insurer could not terminate or take other action adverse to the insured unless—

(1) the action is valid under the policy and State law,

(2) the action—

(A) is for nonpayment of premium when due, or

(B) takes effect

(i) within 75 days of initial inception of coverage or

(ii) on an anniversary of the initial inception of coverage,

(3) at least 15 days written notice of such action is given the insured, and

(4) the insurer informs the insured about the State plan and arranges for coverage under it if requested to do so.

SECTION 37—PENALTIES

Civil and criminal penalties are fixed for violation of provisions of the legislation.

SECTIONS 38 AND 39—ALLOCATION OF BURDENS AMONG INSURERS

These sections provide for loss shifting among reparation obligors and other insurers so as to equitably allocate burdens among them reflecting the greater propensity of certain motor vehicles, particularly trucks, to cause and increase the severity of injury to persons and physical damage to vehicles.

SECTION 40—REGULATION OF RATES

Ratemaking and regulation of rates for basic and added reparation benefits under the legislation are governed by State law.

The Secretary is charged with continuously reviewing operations under the Act and must report to Congress when he determines that revision, modification, or other action with regard to it is necessary.

SECTION 41—RULES

The Secretary is given the conventional authority to make rules to carry out the legislation.

SECTION 42—EFFECTIVE DATE

The principal provisions of the legislation will take effect on the first day of the eighteenth month after the date of the legislation's enactment.

Mr. Speaker, in addition I would like to say that the $200 figure found in section 13, standard weekly limit on benefits for certain losses, is for the purpose of preliminary discussion only. Further study indicates that the $200 figure will have to be increased, probably to a sum closer to $400.

THE ENERGY CRISIS AND THE PERSIAN GULF

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

Mr. HAMILTON. Mr. Speaker, several congressional committees and subcommittees, most agencies of the executive branch and hundreds of public and private institutions have recently been focusing on aspects of the U.S. energy crisis. For Congress, the domestic and international implications of the energy crisis will command increasing attention during the remainder of this decade. It is my hope that from this attention will emerge an effective national energy policy.

The main emphasis of my observations involves several important foreign policy ramifications of the energy crisis, in particular, our relations with the Persian Gulf, an area of the world from which a vast majority of any future U.S. fuel imports will likely come.

The Persian Gulf is a shallow body of water, bordered by seven states which are, on the whole, militarily weak, politically unstable or vulnerable and autocratically ruled. But these states, with a total population under 50 million, contain within their borders or off their coasts close to one-half of the freeworld's proven oil reserves.

CONCLUSIONS OF REPORT

The inquiry of the Subcommittee on the Near East of the House Foreign Affairs Committee included several hearings on the Persian Gulf and on our energy crisis. Our study culminated with a short report which might be of interest to Members of Congress. The two most significant conclusions of our examination were:

First. That for the near future—perhaps the next two decades—the United States will have to import significant quantities of fuel from the Persian Gulf, and thus our policies toward this area deserve careful attention. Some Government estimates suggest that by 1980, we may have to import as much as 50 percent of our fuel needs, with a vast majority of those imports coming from the Persian Gulf. This situation is not changed by the discoveries either in Alaska or the North Sea.

Second, That certain actions, if taken in the near future, could considerably decrease any U.S. dependency on Persian Gulf oil in the long-distance future—perhaps 15 years from now or toward the end of the 1980's.

Several potential ways to improve the U.S. future energy position include:

First. Exploitation of large quantities of oil that exist in the Outer Continental Shelf beyond the 200-meter isobar.

Second. Development of the large hydrocarbon reserves—shale and coal—in the United States.

Third. Strong Government action to curb the rate of growth of consumption.

Fourth. Accelerated research on tertiary recovery methods—atomic and other alternative sources.

Fifth. Development of new energy resources—including solar and geothermal energy.

Sixth. Raising production through development of new fields.

Many of these steps involve perhaps costly and unpopular decisions affecting environmental, consumer, and industrial issues of great concern to us all. But time is not on our side and we must prepare for our future now.

Because of the leadtime necessary to research and develop new energy sources or resources, today's decisions will have little impact on filling our fuel needs for the next decade or two. Each year we postpone these decisions means greater dependence on imports.

CHARACTERISTICS OF THE ENERGY PICTURE

Related to these conclusions are several facts about the world energy situation and the Persian Gulf, some of which have ramifications for fuel needs, political policies, and security of the Western World, including the United States. They are:

First. The world is experiencing its last, short buyer's market for oil and is moving fast toward a seller's market. This shift comes at a time of the increasing need in the West, especially in the United States, for imported crude oil and a time of increasing demands of supplier countries for a greater voice over and ownership in national resources.

Second. Close to three-quarters of the free world's proven reserves are in the Middle East area, and well over one-half of the Middle East's reserves belong to Persian Gulf littorals. Saudi Arabia's proven reserves alone are almost four times those of the United States.

Third. Today, two-thirds of the oil consumption of Japan and Western Europe and one-third of the entire, non-Communist world production of oil comes from North Africa and the Middle East. By 1980, three-fourths of the requirements of Japan and Western Europe and roughly 60 percent of the non-Communist world's requirements will come from the Middle East and North Africa, assuming there are a few new discoveries, other than the North Sea and Alaska.

Fourth. By 1975, several states, including, among others, Kuwait, Saudi Arabia and perhaps Iraq, could be in the position of holding 3 to 4 years of revenue in their treasuries. This will give these producing countries the ability to create a supply crisis by cutting off oil for economic or political reasons. The present storage capacity of the United States is almost nil and Europe can store only a 90-day supply.

Fifth. It is equally significant that barring large, new discoveries, several of the major producers in the Middle East will see a leveling out of their production in roughly a decade, perhaps leading countries like Algeria, Libya, and Kuwait to limit production. It is highly likely that Venezuela, Indonesia, and Nigeria will be in the same situation. Without new discoveries, only Saudi Arabia and Iraq, and perhaps Iran, can, with a degree of certainty, look to future increases in production after the 1980's.

Sixth. For the United States, the annual costs of the fuel imports in 1980 will be of the order of $70 billion, some of which may flow back to the United States through the purchase of American goods

and services. Nonetheless, at a time when the United States is experiencing increasingly unfavorable balance-of-payments deficits, the prospects of huge additional cash outlays of this order of magnitude raise other significant economic and political ramifications of our energy crisis.

THE PERSIAN GULF

The net impression given by these facts and characteristics of the world energy situation only serves to underline the growing importance of the Persian Gulf as an area and the need for the United States to consider carefully its policies toward the Gulf States. This implies that we need to increase our knowledge about this region.

The most significant political fact of recent Persian Gulf history has been the relative tranquility with which certain transitions have taken place, transitions from nonoil to oil economies, from dependence on a formal British role to greater independence, and from long periods of conflict to a new period of cooperation. The ability of the Gulf States to maintain this present relative stability will depend on several factors. Some of the more important ones are: A continued realization by all states of the necessity for cooperation among riparians; the peaceful resolution of several outstanding disputes; the ability to cope with social, economic, and political development; and the prevention of the Gulf from becoming an area of great power competition or rivalry.

The degree of cooperation and the ability to cope with internal problems in the immediate future will depend, to a larger extent, on how outstanding conflicts are treated. Some of the problems in the Gulf involve deep-seated rivalries of traditional and communal nature while other problems are more recent in origin and concern economic issues like employment, the future of the oil industry and political issues like internal subversion and regional conflicts. I would like to mention briefly four problem areas:

1. RELATIONS BETWEEN OIL COMPANIES AND EXPORTING COUNTRIES

This current time period of increasing demand for the fuel resources of the Middle East coincides with a period in which basic changes are taking place in the relations between the oil exporting countries and the international oil companies which buy, transport, refine, and market most Persian Gulf oil.

Today, oil negotiations between international oil companies and oil exporting countries are entering a difficult period. In the main, these negotiations center on the issue of control: Indigenous governments are determined to expand their control over their own resources, and companies and consuming countries are equally determined to maintain enough control over enough of the oil well-to-consumption steps of the entire industry to assure access and stability of supply.

Recent discussion on the relations between oil companies and exporting countries has tended to focus on: First, the issue of participation; second, the June 1, 1972, nationalization of the Iraqi Petroleum Co.; and third, the possibility of special government-to-government relationships to assure access to oil.

Implied in all three issues is the fact that the oil exporting countries hold the trump cards. Although from 1951 to about 1966 there was surplus oil production, that situation is changing, and by 1975 there will be little, if any, surplus capacity. Oil companies do have some strengths in the areas of being able to supply technology and the capital necessary for future expansion, but these assets cannot compare with the overwhelming advantages of having the resources within your boundaries.

A. PARTICIPATION

Participation means part ownership by oil exporting countries in the companies operating in their countries. Many nationalists believe that the concessionary system, which involves contracts between companies and exporting countries that enable the companies to exploit oil deposits for a fixed period of time, is degrading. They further believe that, as concessions approach their termination, it is natural for the countries to begin to "participate" in all operations rather than remain in the passive role of collecting revenues and royalties.

The attitudes of many companies is that participation is inevitable. The dilemma is to balance the cost of yielding too soon against the risk of holding out too long and, perhaps, precipitating nationalization. Behind this position, some companies want to hold out because they want to maintain the present concessionary arrangements and because they feel any change would be detrimental. Those who resist change must be paired, however, against those who want to anticipate the changing relationship and seek new avenues of cooperation with oil exporting countries.

The first phase of the participation issue negotiation has ended with a vague agreement of principles between a Saudi Arabian minister representing the Organization of Petroleum Exporting Countries and the major oil companies. Now each state must negotiate the specifics with companies operating within its borders.

While the need for the satisfactory completion of negotiations on participation is essential for a more stable future relationship, an agreement for prompt, effective and adequate compensation by the Iraqis for the nationalization of the Iraqi Petroleum Co. is imperative.

B. OTHER RELATIONSHIPS

The choices for governments and companies are not limited to either participation or nationalization. There are a myriad of other possible relationships based on interdependence and mutually beneficial terms. Companies can, for instance, meet some of the wishes of exporting countries by joint ventures, a variety of service contracts and other types of relationships, including relinquishing parts of concession areas, particularly those which have not been exploited.

The Saudi Arabian Government recently proposed another type of relationship which deserves our attention. It offered its guarantee of both stability of supply and Saudi investments in the entire well-to-pump operations in return for our commitment to a special Saudi Arabian-American deal in which Saudi Arabia would be guaranteed a certain market here. Such a relationship or a similar one on a smaller scale like that proposed by the Shah of Iran several years ago should be examined carefully.

The most stable relationship between oil companies and exporting countries for the future will be based on three factors: the mutuality of interest of producers and consumers; the recognition of the relative strengths of each party in this relationship; and the degree of interdependence among all groups involved in well-to-pump operations.

2. THE ARAB-ISRAELI CONFLICT

Reverberations of the Arab-Israeli conflict can be felt throughout the Persian Gulf. The Arab people of the Gulf area are concerned about this issue and support the Arab viewpoint of U.N. Resolution 242, but their interest in the issue cannot be compared to that of other Arab States. Iran, which has commercial relations with Israel, strives for an independent approach to the Arab-Israeli conflict and largely succeeds. Most of the Arab States of the Gulf give large subsidies to some or all of the Arab States bordering Israel. Some governments and individuals in the Gulf give substantial support to Palestinian organizations, among which are commando groups.

However, the preoccupation of most people of the Persian Gulf with problems of development and more local issues diminish their interest or commitment to any regional or international role-playing. Nonetheless, the no-peace, no-war stalemate only increases the political pressures on many of the smaller, struggling entities of the Gulf.

The conflict remains destabilizing for Arab governments in general and could become more so for the smaller, and in many cases, weaker, states of the Persian Gulf.

In recent days, the increasing frustrations of many Arab States, like Egypt and Syria, with the present stalemate has led some leaders to ask the question: How can Arab oil be used to pressure Western countries into withdrawing their support from Israel?

It is certainly in U.S. interests to avoid such pressure and it is also in Israel's interests. This points all the more to the necessity for meaningful negotiations among the combatants in the Middle East in order to promote a just peace and thereby precludes any correlation between support of Israel and lack of right of access to oil—a correlation which will not benefit any state either in the West or in the Middle East.

3. INTERNAL PROBLEMS IN PERSIAN GULF

The areas of possible conflict in this potentially unstable region are many and varied. Three are worth mentioning:

A. BORDER CONTROVERSIES

Throughout the region, there are ill-defined borders both in deserts and in the Gulf waters. Such issues could normally be resolved without too much difficulty but the presence of energy deposits below disputed lines has complicated these controversies. In other cases, the sovereignty of many of the islands in the Per-

sian Gulf itself are in dispute. Stability in the Persian Gulf over the next decade will depend, in part, on the ability of all states of the area to seek equitable and just resolutions of outstanding border controversies.

B. TRADITIONAL RIVALRIES

Racial, religious, tribal, and national rivalries continue to give the region the look of a mosaic rather than a categorized print. Rivalries exist between and inside most states and traditional friendships exist usually not with neighbors but neighbors of neighbors. The jealousies of the oil haves and have nots in the area only add a new dimension to serious problems which will continue to obstruct integrating inhabitants into cohesive national units.

C. INTERNAL POLITICAL PROBLEMS

The oil wealth of most Persian Gulf States has not helped them escape the problems of rapid social change and the requirements of social and political development. There continues to be grave employment and manpower problems, subversion attempts from within and without national borders and serious deficiencies in leadership. For some states—Iran and Iraq in particular—the employment problem is one of finding jobs or using oil wealth to create jobs. For other states, it is a problem of not having the trained manpower internally and having to import skilled labor, thereby creating a vested interest, nonindiginous labor bloc. Better manpower utilization is essential if these states are to avoid a series of violent upheavals.

Most states also have serious leadership problems. All states of the Gulf have largely autocratic governments and there is often rubber stamp political participation by people outside the leadership circle, in many cases only one family. As more and more citizens of the Gulf countries are educated, social, economic, and political reforms will have to keep pace if revolutions of rising expectations are to be handled peacefully. All states of the region, including Iraq, Iran, and Saudi Arabia, the three largest states, need to devote more attention to coping with such social and political change.

The ability of several subversive movements to achieve their goals of revolution will depend on the rate of social and political change, the development of a diversified leadership and a solution to employment problems. At present, there is only one determined rebellion going on but its success or failure has implications for the entire Gulf. It would be too easy to conclude that strong armies alone will terminate such threats to the Gulf's traditional leadership: strong armies, in the absence of other changes and reforms, can only postpone revolutions.

4. REGIONAL PROBLEMS

Despite the fact that most leaders in the Gulf realize the need for greater cooperation among riparians, there have been only a few serious attempts to bridge differences and help each other. There is simply no real basis for unity: The states differ along many lines and oil deposits and geography may be the only factors that bring them together.

The hope of many seems to rest on the ability of Iran and Saudi Arabia to cooperate on the theory that if the bigger states can make arrangements for the defense of the area, or for resolution of differences, then the ministates will follow. Today, there exist some understandings between these two states but any solid basis for a future relationship will only develop over a period of time.

Because of its size, military and economic strengths and the smallness of other riparian states, Iran is likely to play a major role in the Gulf for the foreseeable future. Riparian cooperation could easily turn into Iranian attempts to dominate the Gulf region if differences in interests emerge. Such differences do exist but it is hoped that the politics of the Gulf do not turn into Iranian action and Arab reaction. The peaceful resolution of Iran's claim to the island of Bahrain must be contrasted with Iran's attempts to assert partial possession of three small islands at the southern end of the Gulf—Abu Musa and the two Tunbs.

Another element of regional politics in the Gulf involves big power relations. While our interests and relations are extensive, the Soviet Union has important relations in addition to its diplomatic presence in Iraq, Kuwait, and Iran. Its economic relations with Iran, which has recently focused on a natural gas deal cannot, however, compare with its extensive political, economic, and military relations with Iraq, including certain port rights at the head of the Persion Gulf. The Soviet Union does seek to expand its economic and political contacts throughout the area, but it has little technology to offer states which have the funds necessary to purchase more expensive, but preferred, Western technology.

U.S. POLICY TOWARD THE PERSIAN GULF

At this time of change in the gulf, the United States has been able to maintain an effective and low key and cautious diplomatic and political relations with most Persion Gulf states. In several cases, our ties with particular ruling families and monarchs have been close.

The risk of such ties, however, is that monarchies and one-family rule in the Arab Middle East seems to be going out of fashion; revolutions, sometimes violent, are replacing monarchies with republics and are often ruled by army officers. This trend which started in Egypt back in 1952 has been visible most recently in Libya where a revolution occurred in September 1969, and in Morocco where there were unsuccessful attempts to overthrow the monarchy in the summers of 1971 and 1972. There is, moreover, little evidence that this process has run its course. If monarchies do not become centrally involved with issues of social, political, and economic change, their days may be numbered.

But with these risks, there are also opportunities—opportunities to build stronger, better, and more stable relations between the United States and the peoples of the Persian Gulf.

The success of a prudent, low-key policy and the ability of the United States to adjust to rapid changes in an unstable area will depend, in part, on an adequate consideration and assessment in the U.S. Government of the area, its problems, and our policies.

In focusing with more vigor on this region, the U.S. policymakers and planners must deal with a whole series of vitally important questions which will not be solved by wishing them away. These questions are related to the many problems of the Persian Gulf discussed here and must be answered in order for our military, economic, and political posture to be appropriate and effective and assure our access to the gulf oil.

POLITICAL POSTURE

In our political posture, we should maintain small diplomatic missions wherever they are wanted. Good contacts with the leadership should be based not on large presences but on regular and occasional visits by high level U.S. officials. We should also avoid projecting a negative policy of telling leaders what they should and should not do or otherwise resort to persuasion for support of these States on international issues of no immediate interest to these States. These States should proceed at their own pace internationally.

More important, we should seek to keep the Persian Gulf outside of any sphere of great power competition. A large and heavyhanded U.S. diplomatic presence only encourages other powers to seek similar presences. A low-profile U.S. presence in Kuwait, for example, has not led to any attempt by either the Russians or Chinese to take advantage of our small but effective presence. It is hoped the rest of the gulf will remain, not untouched because that is not possible, but unattached, because total identification to one power attracts others. A low-profile policy should be designed to promote great power restraint and insulate the Persian Gulf from great power politics and competition.

And, finally, in our political policies, we should try not to become too closely identified with any one state or any particular rulers. The United States should not let its desire for good relations with any state suggest a preference for the dominaton of the gulf by that state. By seeking a low but essential level of cooperation among all gulf riparians on the basis of equality, we can try to avoid such an identification. We are currently seeking, but should not force, this type of cooperation among states which harbor some deep-seated animosities against each other. In each state we should depend on maintaining a close rapport with both leaders and technocrats and try to seek stronger identification with countries as a whole rather than particular individuals.

MILITARY POSTURE

Our military posture in the gulf should complement our political posture: it should be low key, purposeful and effective. I personally have doubt about the effectiveness of the small, three-ship MIDEASTFOR unit stationed by our Navy on the island of Bahrayn and about the utility of the large-scale military assistance programs we have with Iran and Saudi Arabia. MIDEASTFOR is big enough to cause problems for small and

potentially unstable states but too small to be of any military use.

In addition, it may have the onus of attracting, like a magnet, a similar Soviet presence. Soviet aid to Iraq and port calls there now constitute its overt military program in the gulf. I would like to avoid any pretext for an escalation of that presence. It might prove useful to take MIDEASTFOR out of the gulf and have an Indian Ocean unit make occasional visits. At any rate, our military policy toward the gulf and aid programs should constantly be reviewed at the highest levels of government. Iran and Saudi Arabia need effective defenses but I doubt whether they need navies to compete in size with some European states or as many tanks as the British army.

ECONOMIC POSTURE

The Persian Gulf area is an important place in the world where imaginative economic policies will prove mutually beneficial to both the United States and the riparian states. They have the revenues and we have the technology. From 1967 to 1971, oil revenues of these states jumped from approximately $2.9 billion to over $7 billion, but at the same time, oil remittances and sales of goods and services to this area added an annual plus factor on our balance of payments of well over $1 billion at a time of increasing balance-of-payments difficulties. Wth these revenues, all the states need to purchase technology to develop non-oil industries, such as the potentially important shrimp industry, certain agricultural products and other industrial ventures. The little under one-half billion dollars annual sales of goods and services to these states made in the last couple of years is impressive but many observers feel it can be improved. Good and readily available information from the Department of Commerce, for example, and other agencies of the Government about areas of technology needed in the region might be a useful starting point in making information on investment possibilities available to U.S. private enterprise.

Technical assistance is also an area where these states, especially the smaller ones, need outside help because they simply do not have a big enough indigenous group with the training necessary to run bureaucracies, businesses, and other services needed.

CONCLUSIONS

The stakes for the United States in the Persian Gulf are high. While the U.S. oil companies do need the support of the U.S. Government in their dealings with oil producing countries at this time of difficult negotiations and, especially, in the event of any nationalization, the greatest need in the next year or two is for the United States to develop some kind of coherent resource strategy for the decade, indicating what energy resources from what sources should be developed to meet our fuel needs. The United States should also examine ways of helping U.S. companies preserve their position in international production. Once these policy decisions are hammered out, the United States will need to undertake diplomatic approaches for companies in the gulf area and elsewhere and also to increase its own energy resource stability at home and its flexibility in dealing with oil exporting countries abroad. This may involve costly and unpopular domestic decisions and the possibility of curbing the rate of increase of domestic consumption here, but it will also help guarantee the U.S. future access to the energy resources of the Persian Gulf.

One important challenge to the United States in the coming decade will be to come to grips with the fact that never before in the history of mankind have so many wealthy, industrialized, militarily powerful and large states been at the potential mercy of small, independent, and potentially unstable states which will provide, for the foreseeable future, the fuel of advanced societies. There are few traditional policies which can accommodate this difficult situation in an area of intense nationalism. The need for imaginative new types of policies involving the interdependence of the rich and poor, small and large, weak and powerful states has never been so great. There is a need, at the same time, to take all possible steps to minimize our future dependence on the energy resources of this region.

THE LATE ESAU JENKINS

The SPEAKER. Under a previous order of the House, the gentleman from South Carolina (Mr. DAVIS) is recognized for 10 mniutes.

Mr. DAVIS of South Carolina. Mr. Speaker, while this great, deliberative body was in recess, my First District in South Carolina lost one of its most distinguished citizens.

On October 30, 1972, death claimed Esau Jenkins. I said at that time that I would carry the story of this great man to the floor of this House when it reconvened. Today, I would like to pass along my thoughts.

His was an untimely death and a loss of unparalleled proportions. It is true that Esau Jenkins was an acknowledged leader in the community, but to call him a leader and stop is like calling Niagra Falls running water. Mere words cannot describe the sheer magnitude of this individual who helped black and white throughout the low country of South Carolina, the place of his birth.

Esau Jenkins was a father, a builder, an educator, and a fighter for human rights. He was a community developer whose motto was "Love is progress—hate is expensive." He helped to found the Rural Mission, the Progressive Club, and was a member of the board of the Southern Christian Leadership Conference. He served on the Governor's Conference on Human relations on the Charleston branch of the NAACP.

Although Esau Jenkins counted such notables as the late Martin Luther King, Jr., among his friends, it was not uncommon to see him striding across the plowed fields of his home county on his way to help someone with a problem. Black or white, rich or poor, Esau Jenkins always had time to help. He ran buses to get the people to work and he operated a grocery store on John's Island, often subsidizing his neighbors in time of need.

Esau Jenkins knew what hunger was, and lack of education, and stark poverty, but he climbed above all that. He knew what it was like to have the door of society slammed in his face because of his race. Esau Jenkins passed through his time to the beat of a different drummer, a beat that much of America is finally catching up with.

He moved through his 62 years with his cherished motto, "Love is progress—hate is expensive." Progress was his theme. 'Let's keep moving." That is what Esau would say to all he reached. "Let's keep moving, don't stop, let's keep making progress." Even in death the ideals of Esau Jenkins keep going. Love, brotherhood, and progress.

The funeral sermon for Esau Jenkins, I feel, best sums up the life of this man. The Rev. W. T. Goodwin said:

> I believe that Esau would not want this to be a funeral service, but a graduation day for him. Like Jesus, he had no time for funerals.

Esau Jenkins has graduated to a richly deserved reward. His work here on earth, in the low country of South Carolina, will live on as a testimony to his life and his ways. Perhaps someday soon we can all live by his words "Love is progress—hate is expensive."

JUDICIARY COMMITTEE ANNOUNCES HEARINGS ON PROPOSED RULES OF EVIDENCE

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, on Tuesday, February 6, the Committee on the Judiciary will open hearings on the proposed rules of evidence for the U.S. courts and magistrates, prescribed by the Supreme Court of the United States and soon to be forwarded to the Congress by the Chief Justice.

Individuals and organizations wishing to be heard or to submit views for the hearing record are requested to communicate with Herbert E. Hoffman, committee counsel, Committee on the Judiciary, House of Representatives, Washington, D.C. 20515. Telephone No. (202) 225–3926.

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. SAYLOR, for 15 minutes, today, to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MYERS) to revise and extend their remarks and include extraneous material:)

Mr. FINDLEY, for 5 minutes, today.

Mr. BELL, for 5 minutes, today.

Mr. CRANE, for 5 minutes, today.

Mr. HEINZ, for 5 minutes, today.

(The following Members (at the request of Mr. GUNTER) to revise and extend their remarks and include extraneous material:)

Mr. CLARK, for 10 minutes, today.
Mr. MOSS, for 30 minutes, today.
Mr. HAMILTON, for 15 minutes, today.
Mr. MINISH, for 5 minutes, today.
Mr. KASTENMEIER, for 10 minutes, today.
Ms. ABZUG, for 5 minutes, today.
Mr. DAVIS of South Carolina, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. RODINO, for 10 minutes, today.
Mr. O'NEILL, for 5 minutes, January 15.
Mr. FLOOD, for 60 minutes, January 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SAYLOR and to include extraneous matter, notwithstanding the estimated cost of $2,805.
Mr. LEHMAN.
Mr. GROSS in two instances and to include extraneous matter.
Mr. EVINS of Tennessee and to include extraneous matter.

(The following Members (at the request of Mr. MYERS) and to revise and extend their remarks:)

Mr. SNYDER.
Mr. FINDLEY in three instances.
Mr. GUDE in five instances.
Mr. WHITEHURST.
Mr. QUIE.
Mr. BROOMFIELD.
Mr. KEATING in three instances.
Mr. GOODLING.
Mr. SHOUP.
Mr. MCCOLLISTER in three instances.
Mr. DERWINSKI in three instances.
Mr. CONTE in two instances.
Mr. PEYSER in five instances.
Mr. FRELINGHUYSEN.
Mr. DAVIS of Wisconsin in three instances.
Mr. MCCLORY.
Mr. BROTZMAN.

(The following Members (at the request of Mr. GUNTER) and to include extraneous material):

Mr. WALDIE in eight instances.
Mr. TEAGUE of Texas in six instances.
Mr. DE LA GARZA in 10 instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. BRADEMAS in 10 instances.
Mr. DINGELL in three instances.
Mr. ROY.
Mr. FASCELL.
Mr. THOMPSON of New Jersey.
Mr. LONG of Maryland in three instances.
Mr. MONTGOMERY.
Mrs. GRIFFITHS.
Mr. CLARK.
Mr. KASTENMEIER in two instances.
Mr. RODINO.
Mr. MATSUNAGA in six instances.
Mr. VANIK in two instances.
Mr. PATTEN.
Mr. MOAKLEY.
Mr. KOCH.
Mr. JOHNSON of California.
Mr. PICKLE in 10 instances.
Mr. DOMINICK V. DANIELS.
Mr. ROGERS in five instances.

ADJOURNMENT

Mr. GUNTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until Monday, January 15, 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:

[*Omitted from the Record of Jan. 3, 1973*]

211. A letter from the Secretary of State, transmitting the 20th Report on Contributions to International Organizations for the fiscal year 1971, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 92–377); to the Committee on Foreign Affairs and ordered to be printed.

[*Submitted Jan. 11, 1973*]

212. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting the report of design and construction supervision, inspection, and overhead costs for military construction projects in fiscal year 1972, pursuant to section 704, Public Law 92–145; to the Committee on Armed Services.

213. A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation to amend section 2304(a)(3) of title 10, United States Code, to increase from $2,500 to $10,000 the aggregate amount of a purchase or contract authorized to be negotiated; to the Committee on Armed Services.

214. A letter from the Commissioner of the District of Columbia, transmitting a copy of the revised Organization Handbook of the District of Columbia Government; to the Committee on the District of Columbia.

215. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of November 30, 1972, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

216. A letter from the Chairman, Interstate Commerce Commission, transmitting copies of the final valuations of properties of common carriers, pursuant to section 19a of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

217. A letter from the Chairman, Federal Trade Commission, transmitting a report on the implementation and administration of the Fair Packaging and Labeling Act during fiscal year 1972, pursuant to section 8 of Public Law 89–755; to the Committee on Interstate and Foreign Commerce.

218. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on changes in grade GS–17 positions, pursuant to section 5114(a) of title 5 of the United States Code; to the Committee on Post Office and Civil Service.

RECEIVED FROM THE COMPTROLLER GENERAL

219. A letter from the Comptroller General of the United States, transmitting a report on opportunities to improve effectiveness and reduce costs of the rental assistance housing program of the Department of Housing and Urban Development; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to H. Res. 819 of the 92d Congress the following report was filed on January 11, 1973*]

Mr. O'NEILL: Special Committee To Investigate Campaign Expenditures, 1972; with amendment (Rept. No. 93–1). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT (for himself, Mr. SIKES, Mr. FUQUA, Mr. CHAPPELL, Mr. FREY, Mr. GIBBONS, Mr. HALEY, Mr. YOUNG of Florida, Mr. ROGERS, Mr. BURKE of Florida, Mr. PEPPER, Mr. FASCELL, Mr. BAFALIS, Mr. GUNTER and Mr. LEHMAN):

H.R. 1719. A bill to authorize the establishment of the Florida Frontier Historic Riverway, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOMINICK V. DANIELS:

H.R. 1720. A bill to provide for enforcement of safety and health standards for metal and nonmetallic mines under the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 1721. A bill to provide Federal assistance for special projects to demonstrate the effectiveness of programs to provide emergency care for heart attack victims by trained persons in specially equipped ambulances; to the Committee on Interstate and Foreign Commerce.

By Mr. BLACKBURN:

H.R. 1722. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41 et seq.) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER:

H.R. 1723. A bill to amend title X of the Public Health Service Act to extend for 3 years the program of assistance for population research and voluntary family planning programs; to the Committee on Interstate and Foreign Commerce.

H.R. 1724. A bill to direct the Secretary of Health, Education, and Welfare to make requests for appropriations for programs respecting a specific disease or category of diseases on the basis of the relative mortality and morbidity rates of the disease or category of diseases and its relative impact on the health of persons in the United States and on the economy; to the Committee on Interstate and Foreign Commerce.

H.R. 1725. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin on Memorial Day and end on Labor Day of each year; to the Committee on Interstate and Foreign Commerce.

By Mr. CLARK:

H.R. 1726. A bill to amend the tariff and trade laws of the United States to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 1727. A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to provide for minimum Federal payments for four additional years, and for other purposes; to the Committee on Public Works.

By Mr. DAVIS of Wisconsin:

H.R. 1728. A bill to provide that memorial markers and suitable plots in the national cemeteries be furnished to commemorate members and former members of the Armed Forces whose remains, for whatever reason, are not available for normal burial; to the Committee on Armed Services.

H.R. 1729. A bill to amend section 213(a) of the War Claims Act of 1948 to provide for the full payment of certain individual claims under that act; to the Committee on Interstate and Foreign Commerce.

H.R. 1730. A bill to amend title IV of the Social Security Act to increase the amount of Federal reimbursement to States under the aid to families with dependent children program for the cost of locating and securing support from parents who have deserted or abandoned their children receiving aid under such program, and to provide that the State welfare agencies may utilize the services of private collection agencies and similar organizations and entities in locating such parents and securing support for such children; to the Committee on Ways and Means.

By Mr. DENHOLM:

H.R. 1731. A bill to amend the Rural Electrification Act of 1936 and the Consolidated Farmers Home Administration Act of 1961; to the Committee on Agriculture.

By Mr. DOWNING:

H.R. 1732. A bill to amend title 10, United States Code, to equalize the retirement pay of members of the uniformed services of equal rank and years of service, and for other purposes; to the Committee on Armed Services.

H.R. 1733. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 1734. A bill to amend the depository library program (44 U.S.C. 1901–1914); to the Committee on House Administration.

By Ms. ABZUG:

H.R. 1735. A bill to protect confidential sources of the news media; to the Committee on the Judiciary.

By Mr. DOWNING:

H.R. 1736. A bill to amend the Public Health Services Act to encourage physicians, dentists, optometrists, and other medical personnel to practice in areas where shortages of such personnel exist, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1737. 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. 1738. A bill to grant to each coastal State mineral rights in the subsoil and seabed of the Outer Continental Shelf extending to a line which is 12 miles from the coast of such State, and for other purposes; to the Committee on the Judiciary.

H.R. 1739. A bill to have the President appoint the Director of the Federal Bureau of Investigation to a single term of 15 years; to the Committee on the Judiciary.

H.R. 1740. A bill to amend title 5, United States Code, to authorize election of health benefits coverage by employees and annuitants for themselves and their spouses at a special rate based on coverage of two persons, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1741. 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. 1742. A bill to amend title II of the Social Security Act to provide that the surviving spouse of an insured worker may authorize direct payment of the worker's lump-sum death payment to the funeral home for his burial expenses; to the Committee on Ways and Means.

H.R. 1743. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

H.R. 1744. A bill to amend section 401 (c) of the Internal Revenue Code of 1954 with respect to certain services performed by ministers; to the Committee on Ways and Means.

By Mr. DOWNING (for himself, Mr. DINGELL, Mr. ANDERSON of California, and Mr. GOODLING):

H.R. 1745. A bill to authorize a program of exploratory fishing for the purpose of assisting in the development and utilization of species of fish suitable for industrial uses, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWNING (for himself, Mr. MOSHER, Mr. MURPHY of New York, and Mr. WOLFF):

H.R. 1746. A bill to amend the Merchant Marine Act, 1936, to expand the mission of the U.S. Merchant Marine Academy and to change the name of the Academy to reflect the expanded mission; to the Committee on Merchant Marine and Fisheries.

By Mr. FASCELL (for himself, Mr. FRASER, Mr. JONES of Oklahoma, Mr. GUNTER, Mr. COUGHLIN, Mr. BAFALIS, Mr. LENT, Mr. ROYBAL, Mr. CORMAN, Mr. KASTENMEIER, Mr. METCALFE, Mr. LEHMAN, Mr. MATSUNAGA, Mr. EDWARDS of California, Mr. ROONEY of Pennsylvania, Mr. CRONIN, Mr. RODINO, and Mrs. CHISHOLM):

H.R. 1747. A bill to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes; to the Committee on Rules.

By Mr. FAUNTROY:

H.R. 1748. A bill to designate the legal public holidays to be observed in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FINDLEY:

H.R. 1749. A bill to repeal the Bread Tax on 1973 wheat crop; to the Committee on Agriculture.

By Mr. GERALD R. FORD:

H.R. 1750. A bill to amend title IV of the Social Security Act to allow a State in its discretion, to such extent as it deems appropriate, to use the dual signature method of making payments of aid to families with dependent children under its approved State plan; to the Committee on Ways and Means.

By Mr. WILLIAM D. FORD (for himself, Mr. FRASER, Mr. BELL, Mr. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. HAWKINS, Mr. MEEDS, Mr. PERKINS, Mr. O'HARA, and Mr. THOMPSON of New Jersey):

H.R. 1751. A bill to amend the Juvenile Delinquency Prevention and Control Act of 1968 to meet the needs of runaway youths and facilitate their return to their families without resort to the law enforcement structure; to the Committee on Education and Labor.

By Mr. WILLIAM D. FORD (for himself, Mr. NEDZI, Mr. ESCH, Mr. RUPPE, Mr. BROOMFIELD, Mr. DINGELL, Mr. O'HARA, Mrs. GRIFFITHS, Mr. HUBER, Mr. BROWN of Michigan, Mr. CEDERBERG, Mr. GERALD R. FORD, Mr. HARVEY, Mr. HUTCHINSON, Mr. RIEGLE, and Mr. VANDER JAGT):

H.R. 1752. A bill to amend the Federal Meat Inspection Act in order to provide that States may not have less strict standards with respect to marketing, labeling, packaging, and ingredient requirements than those made under the Federal Meat Inspection Act; to the Committee on Agriculture.

By Mr. FRASER (for himself, Mr. BELL, Mr. BYRON, Mr. BURKE of Florida, Mr. CORMAN, Mr. CRONIN, Mr. W. C. (DAN) DANIEL, Mr. DOMINICK V. DANIELS, Mr. DE LUGO, Mr. FREY, Mrs. HANSEN of Washington, Mr. HASTINGS, Mr. HOWARD, Mr. LEHMAN, Mrs. MINK, Mr. MINISH, Mr. MOORHEAD of Pennsylvania, Mr. MOSS, Mr. MURPHY of Illinois, Mr. NELSEN, Mr. PODELL, Mr. RANDALL, Mr. RHODES, Mr. SHIPLEY, and Mr. STOKES):

H.R. 1753. 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. DAVIS of Georgia, Mr. FOUNTAIN, Miss JORDAN, Mr. KEMP, Mr. MCCORMACK, Mr. MCKINNEY, Mr. MALLARY, Mr. MOAKLEY, Mr. NICHOLS, Mr. TAYLOR of North Carolina, Mr. THOMPSON of New Jersey, Mr. VANIK, and Mr. YATES):

H.R. 1754. 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. 1755. A bill to impose a moratorium on new and additional student transportation; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 1756. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GUDE:

H.R. 1757. A bill to amend the District of Columbia Air Pollution Control Act to increase the penalties for violation of regulations to protect and improve air quality in the District of Columbia; to the Committee on District of Columbia.

By Mr. HALEY (for himself, Mr. SAYLOR, and Mr. HILLIS):

H.R. 1758. A bill to further the purposes of the Wilderness Act of 1964 by designating certain lands for inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARRINGTON:

H.R. 1759. A bill to provide for the establishment of projects for the dental health of children to increase the number of dental auxiliaries, to increase the availability of dental care through efficient use of dental personnel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. WILLIAM D. FORD, Mr. PICKLE, Mr. SARBANES, Mr. ADDABBO, Mr. BURKE of Massachusetts, Mrs. CHISHOLM, Mr. CORMAN, Mr. DRINAN, Mr. EDWARDS of California, Mr. FUQUA, Mrs. HANSEN of Washington, Mr. HELSTOSKI, Mr. HUNGATE, Mr. KYROS, Mr. KOCH, Mr. LEGGETT, Mr. MOAKLEY, Mr. STUDDS, Mr. O'NEILL, Mr. PERKINS, Mr. ROSTENKOWSKI, Mr. ROYBAL, and Mr. SYMINGTON):

H.R. 1760. 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.

By Mr. HECHLER of West Virginia:

H.R. 1761. A bill to amend the black lung benefit provisions of the Federal Coal Mine Health and Safety Act of 1969 to delete the provisions for offset of black lung benefits against State workmen's compensation, unemployment compensation, and disability insurance benefits; to the Committee on Education and Labor.

H.R. 1762. A bill to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1763. A bill making apropriations to

carry out programs of the Veterans' Administration to expand Veterans' Administration hospital education and training capacity, and to provide grants to establish new State medical schools, to expand and improve medical schools affiliated with the Veterans' Administration, and to assist certain affiliated institutions in training health personnel, for fiscal year 1973; to the Committee on Veterans' Affairs.

By Mr. HELSTOSKI:

H.R. 1764. A bill to create an Office of Defense Review; to the Committee on Armed Services.

H.R. 1765. A bill to amend title 10, United States Code, to restore the system of recomputation of retired pay for certain members and former members of the armed forces; to the Committee on Armed Services.

H.R. 1766. A bill to provide for the striking of medals in commemoration of the 500th anniversary of the birth of Nicolaus Copernicus (Mikolaj Kopernik); to the Committee on Banking and Currency.

H.R. 1767. A bill to establish a national adoption information exchange system; to the Committee on Education and Labor.

H.R. 1768. A bill to amend the Elementary and Secondary Education Act; to the Committee on Education and Labor.

H.R. 1769. A bill to provide for special programs for children with specific learning disabilities; to the Committee on Education and Labor.

H.R. 1770. A bill to provide early educational opportunities for all preschool children, and to encourage and assist in the formation of local preschool districts by residents of urban and rural areas; to the Committee on Education and Labor.

H.R. 1771. A bill to provide Federal leadership and grants to the States for developing and implementing State programs for youth camp safety standards; to the Committee on Education and Labor.

H.R. 1772. 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. 1773. A bill to establish a Department of Education; to the Committee on Government Operations.

H.R. 1774. A bill to establish a Department of Science and Technology, and to transfer certain agencies and functions to such Department; to the Committee on Government Operations.

H.R. 1775. A bill to establish a Department of Peace, and for other purposes; to the Committee on Government Operations.

By Mr. KASTENMEIER:

H.R. 1776. A bill to provide for the immediate cessation of bombing in Indochina and for the withdrawal of U.S. military personnel from the Republic of Vietnam, Cambodia, Laos, and Thailand; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI:

H.R. 1777. A bill to create a Department of Youth Affairs; to the Committee on Government Operations.

H.R. 1778. A bill to amend title 5, United States Code, to provide that individuals be apprised of records concerning them which are maintained by Government agencies; to the Committee on Government Operations.

H.R. 1779. A bill to limit the sale or distribution of mailing lists by Federal agencies; to the Committee on Government Operations.

H.R. 1780. A bill to amend section 1905 of title 44 of the United States Code relating to depository libraries; to the Committee on House Administration.

H.R. 1781. A bill establishing a Council on Energy Policy; to the Committee on Interstate and Foreign Commerce.

H.R. 1782. 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. 1783. A bill to amend the Communications Act of 1934 to direct the Federal Communications Commission to require the establishment nationally of an emergency telephone call referral system using the telephone number 911 for such calls; to the Committee on Interstate and Foreign Commerce.

H.R. 1784. A bill to amend the Airport and Airway Development Act of 1970 to increase from 50 to 75 percent the U.S. share of allowable project costs payable under such act; to amend the Federal Aviation Act of 1958 to prohibit State taxation of the carriage of persons in air transportation; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1785. A bill to establish a grant-in-aid program to encourage the licensing by the States of motor vehicle mechanics; to the Committee on Interstate and Foreign Commerce.

H.R. 1786. A bill to amend the Railroad Retirement Act of 1937 to provide a full annuity for any individual (without regard to his age) who has completed 30 years of railroad service; to the Committee on Interstate and Foreign Commerce.

H.R. 1787. A bill to provide that a citizen of the United States shall not lose his citizenship before obtaining citizenship or permanent residence in another country; to the Committee on the Judiciary.

H.R. 1788. A bill to limit the authority of States and their subdivisions to impose taxes with respect to income on residents of other States; to the Committee on the Judiciary.

H.R. 1789. A bill to provide for greater and more efficient Federal financial assistance to certain large cities with a high incidence of crime, and for other purposes; to the Committee on the Judiciary.

H.R. 1790. A bill to assist in combating crime by reducing the incidence of recidivism, providing improved Federal, State, and local correctional facilities and services, strengthening administration of Federal corrections strengthening control over probationers, parolees, and persons found not guilty by reason of insanity, and for other purposes; to the Committee on the Judiciary.

H.R. 1791. A bill to provide minimum standards in connection with certain Federal financial assistance with respect to correctional institutions and facilities; to the Committee on the Judiciary.

H.R. 1792. A bill to provide financial assistance for State and local small, community-based correctional facilities; for the creation of innovative programs of vocational training, job placement, and on-the-job counseling; to develop specialized curricula, the training of educational personnel and the funding of research and demonstration projects; to provide financial assistance to encourage the States to adopt special probation services; to establish a Federal Corrections Institute; and for other purposes; to the Committee on the Judiciary.

H.R. 1793. A bill to establish a Commission on Penal Reform; to the Committee on the Judiciary.

H.R. 1794. A bill Newsmen's Privilege Act of 1973; to the Committee on the Judiciary.

H.R. 1795. A bill to require the establishment of marine sanctuaries and to prohibit the depositing of any harmful materials therein; to the Committee on Merchant Marine and Fisheries.

H.R. 1796. A bill to amend the National Environmental Policy Act of 1969 to require the Secretary of the Army to terminate certain licenses and permits relating to the disposition of waste materials in the waters of the New York Bight, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1797. A bill to provide for the issuance of a commemorative postage stamp in commemoration of the 500th anniversary of the birth of Nicolaus Copernicus, the founder of modern astronomy; to the Committee on Post Office and Civil Service.

H.R. 1798. A bill to establish a national urban bond program to provide an effective means of financing the construction of needed urban housing; to the Committee on Ways and Means.

H.R. 1799. A bill to provide payments to States for public elementary and secondary education and to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. BROWN of Michigan, Mr. DANIELSON, Mr. DE LUGO, Mr. FRASER, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. HUNGATE, Mr. MILFORD, Mr. MOORHEAD of Pennsylvania, Mr. PEPPER, Mr. PODELL, Mr. PREYER, Mr. STOKES, Mr. WARE, Mr. RONCALIO of Wyoming, Mr. VANIK, and Mr. CHARLES WILSON of Texas):

H.R. 1800. A bill to create an air transportation security program; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 1801. A bill to exclude from gross income the first $750 of interest received on deposits in thrift institutions; to the Committee on Ways and Means.

H.R. 1802. 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; to the Committee on Ways and Means.

H.R. 1803. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 1804. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. HUDNUT:

H.R. 1805. 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.

By Mr. JOHNSON of California:

H.R. 1806. A bill to equalize the retired pay of certain former members of the armed services; to the Committee on Armed Services.

By Mr. KEATING (for himself, Mr. DANIELSON, Mr. STEELE, Mr. KEMP, Mr. KUYKENDALL, Mr. GERALD R. FORD, Mr. FRENZEL, Mr. MAZZOLI, Mr. HOGAN, and Mr. SARBANES):

H.R. 1807. A bill to strengthen interstate reporting and interstate services for parents of runaway children, to provide for the development of a comprehensive program for the transient youth population for the establishment, maintenance, and operation of temporary housing and psychiatric, medical, and other counseling services for transient youth, and for other purposes; to the Committee on the Judiciary.

By. Mr. KOCH (for himself, Mr. BURTON, Mr. CONYERS, Mr. FAUNTROY, Mr. MATSUNAGA, Mr. MOAKLEY, Mr. RANGEL, Mr. SYMINGTON, Mr. TIERNAN, and Mr. VANIK):

H.R. 1808. A bill to prohibit the use of funds authorized or appropriated for military actions in Indochina except for purposes of withdrawing all United States forces from Indochina within a 30-day period if within that period all American prisoners of war are

released and American servicemen missing in action are accounted for, and to halt immediately all air bombing in Indochina; to the Committee on Foreign Affairs.

By Mr. KOCH (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. BINGHAM, Mr. BURKE of Massachusetts, Mr. BURTON, Mr. ROBERT W. DANIEL, JR., Mr. FISH, Mr. FOUNTAIN, Mr. GUDE, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. LENT, Mrs. MINK, Mr. MOAKLEY, Mr. PODELL, Mr. SYMINGTON, Mr. SYMMS, and Mr. TIERNAN):

H.R. 1809. A bill to amend the Internal Revenue Code of 1954 to provide that blood donations shall be considered as charitable contributions deductible from gross income; to the Committee on Ways and Means.

By Mr. LEHMAN:

H.R. 1810. A bill to authorize and direct the Secretary of Defense and the Administrator of the General Services Administration to insure the procurement and use by the Federal Government of products manufactured from recycled materials; to the Committee on Government Operations.

H.R. 1811. A bill to authorize and direct the Administrator of the General Services Administration to prescribe regulations with respect to the amount of recycled material contained in paper procured or used by the Federal Government or the District of Columbia; to the Committee on Government Operations.

H.R. 1812. A bill to amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the Congressional Record; to the Committee on House Administration.

By Mr. MARAZITI:

H.R. 1813. A bill to assure the free flow of news and other information to the public; to the Committee on the Judiciary.

By Mr. MATHIS of Georgia:

H.R. 1814. 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.

By Mr. MATHIS of Georgia (for himself and Mr. WAGGONNER):

H.R. 1815. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator with the consent of the farmer, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLS of Arkansas:

H.R. 1816. A bill to protect suppliers of property in trade and commerce with respect to credit card promotions; to the Committee on Banking and Currency.

H.R. 1817. A bill to provide for the striking of national medals to honor the late J. Edgar Hoover; to the Committee on Banking and Currency.

H.R. 1818. A bill to assure the free flow of information to the public; to the Committee on the Judiciary.

H.R. 1819. A bill to assure the free flow of information to the public; to the Committee on the Judiciary.

H.R. 1820. A bill to direct the Administrator of General Services to release a condition with respect to certain real property conveyed to the State of Arkansas by the United States, and for other purposes; to the Commtitee on Merchant Marine and Fisheries.

H.R. 1821. A bill to amend title 5, United States Code, to permit military service performed by an individual after 1956 to be credited under the civil service retirement program, even though such individual is eligible for social security benefits, if such individual has elected to have such service excluded in the computation of such benefits; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL:

H.R. 1822. A bill to provide for the termination of all U.S. military involvement in Indochina; to the Committee on Foreign Affairs.

By Mr. PEYSER:

H.R. 1823. A bill to amend the Urban Mass Transportation Act of 1964 to provide emergency grants for operating subsidies to urban mass transportation systems on the basis of passengers serviced; to the Committee on Banking and Currency.

H.R. 1824. A bill to amend the Urban Mass Transportation Act of 1964 to make it clear that a mass transportation system must include provision for meeting the special needs of the elderly in order to qualify for financial assistance thereunder; to the Committee on Banking and Currency.

H.R. 1825. A bill to provide new and improved transportation programs for older persons; to the Committee on Banking and Currency.

H.R. 1826. A bill to require pension plans to provide optional annuities for surviving spouses and certain vesting rights to employees whose employment is involuntarily terminated without cause; to the Committee on Education and Labor.

H.R. 1827. A bill to amend the Elementary and Secondary Education Act to insure greater safety for students in getting to and from school; to the Committee on Education and Labor.

H.R. 1828. A bill to amend the Elementary and Secondary Education Act of 1965 to protect schoolchildren from certain persons convicted of criminal behavior; to the Committee on Education and Labor.

H.R. 1829. A bill to direct the Secretary of Labor to provide for volunteer employment programs for older persons and to develop a resource directory on the availability of the skills, talents, and experience of those persons; to the Committee on Education and Labor.

H.R. 1830. A bill to provide for the humane care, treatment, habilitation and protection of the mentally retarded in residential facilities through the establishment of strict quality operation and control standards and the support of the implementation of such standards by Federal assistance, to establish State plans which require a survey of need for assistance to residential facilities to enable them to be in compliance with such standards, seek to minimize inappropriate admissions to residential facilities and develop strategies which stimulate the development of regional and community programs for the mentally retarded which include the integration of such residential facilities and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1831. A bill to provide that foreign made products be labled to show the country of origin, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1832. 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. 1833. A bill to regulate the interstate trafficking and sale of hypodermic needles and syringes; to the Committee on Interstate and Foreign Commerce.

H.R. 1834. 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. 1835. A bill to amend title 28 of the United States Code to exempt volunteer firemen from Federal jury duty; to the Committee on the Judiciary.

H.R. 1836. A bill to amend the Outer Continental Shelf Lands Act, to establish a National Marine Mineral Resources Trust, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1837. A bill to provide for the issuance of a special postage stamp in commemoration of the life and work of Dr. Enrico Fermi; to the Committee on Post Office and Civil Service.

H.R. 1838. A bill to provide additional readjustment assistance to veterans by providing improved job counseling, training, and placement service for veterans; by providing an employment preference for disabled veterans and veterans of the Vietnam era under contracts entered into by departments and agencies of the Federal Government for the procurement of goods and services, by providing for an action program within the departments and agencies of the Federal Government for employment of disabled veterans of the Vietnam era; by providing a minimum amount that may be paid to ex-servicemen under the unemployment compensation law and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1839. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 1840. A bill to amend the Internal Revenue Code of 1954 to increase the amount of refund payable with respect to fuels used by local transit systems for commuter service; to the Committee on Ways and Means.

H.R. 1841. A bill to amend the Internal Revenue Code of 1954 to provide for a refund of the manufacturers excise tax on certain tires, tubes, and tread rubber used by local transit systems furnishing commuter service; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. ROBERTS, Mr. FISHER, Mr. COLLINS, Mr. BURLESON of Texas, Mr. ARCHER, Mr. WHITE, Mr. TEAGUE of Texas, Mr. STEELMAN, Mr. MILFORD, Mr. POAGE, Mr. WRIGHT, and Mr. GONZALEZ):

H.R. 1842. 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.

By Mr. PICKLE (for himself, Mr. BOWEN, Mr. OBEY, Mr. WRIGHT, Mr. FISH, Mr. EVINS of Tennessee, Mr. RODINO, Mr. DRINAN, Mrs. MINK, Mr. ZABLOCKI, Mr. MCCLOSKEY, Mr. POAGE, Mr. BURLISON of Missouri, Mr. JONES of North Carolina, Mr. MCCORMACK, Mr. GRAY, Mr. SARBANES, Mr. WILLIAM D. FORD, Mr. HARRINGTON, and Mr. FOUNTAIN):

H.R. 1843. 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.

By Mr. PICKLE (for himself and Mr. WHITE, Mr. GUDE, Mr. SIKES, Mr. GIBBONS, Mr. YATES, Mr. LEHMAN, Mr. SEIBERLING, Mr. RANDALL, Mr. ROYBAL, Mr. MOLLOHAN, Mr. MITCHELL of Maryland, Mr. GONZALEZ, Mr. HUNGATE, Mr. DENHOLM, Mr. KASTENMEIER, Mr. DAVIS of Georgia, Mr. SARBANES, Mr. WILLIAM D. FORD and Mr. HARRINGTON):

H.R. 1844. 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.

By Mr. PICKLE (for himself, Mr. TIERNAN, Mr. ROSENTHAL, Mr. FLOWERS, Mr. CLARK, Mr. MORGAN, Mr. RUPPE, Mr. MURPHY of New York, Mr. PREYER, Mr. SARBANES, Mr. WILLIAM D. FORD, Mr. HARRINGTON, Mr. DINGELL, and Mr. MOORHEAD of Pennsylvania):

H.R. 1845. 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.

By Mr. PRICE of Illinois:

H.R. 1846. A bill to provide additional dental care for dependents of members of the uniformed services; to the Committee on Armed Services.

H.R. 1847. 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.

H.R. 1848. 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.

H.R. 1849. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 1850. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

H.R. 1851. A bill to amend the Public Health Service Act to provide grants to develop training in family medicine; to the Committee on Interstate and Foreign Commerce.

H.R. 1852. A bill to amend the Public Health Service Act so as to add to such act a new title dealing especially with kidney disease and kidney-related diseases; to the Committee on Interstate and Foreign Commerce.

H.R. 1853. 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. 1854. A bill to provide assistance to certain States bordering the Mississippi River in the construction of the Great River Road; to the Committee on Public Works.

H.R. 1855. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. RARICK:

H.R. 1856. A bill to amend the Social Security Act to require that each State disclose to the public (by categories) the names of all individuals who are recipients of aid or assistance under its plans approved under titles I, IV, X, XIV, and XVI of such Act; to the Committee on Ways and Means.

H.R. 1857. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual who has attained age 65 may elect to treat services performed by him as noncovered (and exempt from tax) for social security purposes; to the Committee on Ways and Means.

By Mr. RARICK (for himself, Mr. FISH, Mr. POWELL of Ohio, and Mr. THONE):

H.R. 1858. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. REID (for himself, Mr. ADDABBO, Mr. ANDERSON of Illinois, Mr. ANNUNZIO, Mr. ARCHER, Mr. BADILLO, Mr. BELL, Mr. BEVILL, Mr. BINGHAM, Mr. BOLAND, Mr. BRADEMAS, Mr. BUCHANAN, Mr. CLARK, Mr. CLEVELAND, Mr. CRANE, Mr. CRONIN, Mr. DANIELSON, Mr. DAVIS of South Carolina, Mr. DERWINSKI, Mr. DRINAN, Mr. EDWARDS of California, Mr. EVINS of Tennessee, Mr. FISH, Mr. FOUNTAIN, and Mr. GUDE):

H.R. 1859. A bill the Antihijacking Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. REID (for himself, Mrs. HANSEN of Washington, Mr. HARRINGTON, Mr. HAYS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HORTON, Mr. HUNGATE, Mr. JARMAN, Mr. KEATING, Mr. KYROS, Mr. MCDADE, Mr. MCKINNEY, Mr. MAILLIARD, Mr. MATSUNAGA, Mr. MAZZOLI, Mr. MEEDS, Mr. MOLLOHAN, Mr. MURPHY of Illinois, Mr. NICHOLS, Mr. PEYSER, Mr. PODELL, Mr. RANGEL, Mr. REES, and Mr. RIEGLE):

H.R. 1860. A bill the Antihijacking Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. REID (for himself, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SARBANES, Mr. SIKES, Mr. SYMINGTON, Mr. THOMPSON of New Jersey, Mr. WARE, Mr. WHITEHURST, Mr. WOLFF, and Mr. YATRON):

H.R. 1861. A bill the Antihijacking Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS (for himself, Mr. BRADEMAS, Mr. FRASER, and Mr. GONZALEZ):

H.R. 1862. A bill to amend the Internal Revenue Code of 1954 to provide relief to certain individuals 62 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.

By Mr. ROBISON of New York:

H.R. 1863. A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to extend for 3 years the provision for full Federal payment of relocation and related costs for victims of Hurricane Agnes and of certain other major disasters; to the Committee on Public Works.

By Mr. ROGERS:

H.R. 1864. A bill to amend the Communications Act of 1934 to establish certain standards for the consideration of applications for renewal of broadcasting licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 1865. A bill to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes; to the Committee on Rules.

H.R. 1866. A bill to amend title 38 of the United States Code to provide that any social security benefit increases provided for by Public Law 92-336 be disregarded in determining eligibility for pension or compensation under such title; to the Committee on Veterans' Affairs.

H.R. 1867. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 1868. A bill requiring personal financial disclosure, and promoting public confidence in the legislative, executive, and judicial branches of the Government of the United States; to the Committee on the Judiciary.

By Mr. ROGERS (for himself, Mr. SIKES, Mr. BENNETT, Mr. HALEY, Mr. FASCELL, Mr. FUQUA, Mr. PEPPER, Mr. GIBBONS, Mr. CHAPPELL, Mr. GUNTER, Mr. LEHMAN, Mr. BURKE of Florida, Mr. FREY, Mr. YOUNG of Florida, Mr. BAFALIS, Mr. DOWNING, and Mr. PERKINS):

H.R. 1869. A bill to authorize the appointment of funds for the National System of Interstate and Defense Highways for fiscal years 1974 and 1975; to the Committee on Public Works.

By Mr. ROSENTHAL (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. BINGHAM, Mr. BRASCO, Mr. CONYERS, Mr. EILBERG, Mr. HELSTOSKI, Mr. NIX, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. ROYBAL, Mr. STOKES, Mr. CHARLES H. WILSON of California, and Mr. WOLFF):

H.R. 1870. A bill to amend title 5, United States Code, to provide for the establishment of a special cost-of-living pay schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROY:

H.R. 1871. A bill to appropriate funds for advanced relocation of a road and bridge in connection with the Onaga Reservoir project, Kansas; to the Committee on Appropriations.

H.R. 1872. A bill to require the Secretary of the Army to improve certain highways in connection with the Tuttle Creek Reservoir; to the Committee on Public Works.

By Mr. SARBANES (for himself, Mr. PICKLE, Mr. WILLIAM D. FORD, Mr. HARRINGTON, Mr. DULSKI, Mr. MADDEN, Mr. RODINO, Mr. BERGLAND, Mr. DANIELSON, Mr. DAVIS of South Carolina, Mr. DENHOLM, Mr. EVINS of Tennessee, and Mr. FULTON):

H.R. 1873. 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.

By Mr. SARBANES (for himself, Mr. PICKLE, Mr. WILLIAM D. FORD, Mr. HARRINGTON, Mr. JONES of North Carolina, Mr. MURPHY of Illinois, Mr. PEPPER, Mr. ROONEY of Pennsylvania, Mr. STOKES, Mr. WRIGHT, Mr. YATRON, Mr. HECHLER of West Virginia, Mr. MANN, and Mr. NICHOLS):

H.R. 1874. 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.

By Mr. SAYLOR:

H.R. 1875. A bill to establish a uniform Federal policy for repayment of costs of Federal electric power projects, to provide the Secretary of the Interior with authority to carry out this policy, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1876. A bill to provide for the development of federally owned minerals; to the Committee on Interior and Insular Affairs.

H.R. 1877. A bill to preserve, stabilize, and reactivate the domestic gold mining industry on public, Indian, and other lands within the United States, and to increase the domestic production of gold to provide the requirements of industry, national defense, and other nonmonetary uses of gold; to the Committee on Interior and Insular Affairs.

H.R. 1878. A bill to provide for the extension of the reclamation acts, as amended, to all of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1879. A bill to provide for the arrest and punishment of violators of certain laws and regulations relating to the public lands; to the Committee on Interior and Insular Affairs.

H.R. 1880. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data; to the Committee on Interior and Insular Affairs.

H.R. 1881. A bill to designate certain lands as wilderness for inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1882. A bill to enlarge the boundaries of Grand Canyon National Park in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1883. A bill to provide for the addition of certain lands to the Redwood National Park in the State of Califoriia, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1884. A bill to provide for the Potomac Basin National Riverways; to the Committee on Interior and Insular Affairs.

H.R. 1885. A bill to revise the boundaries of the North Cascades National Park in the State of Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1886. A bill to establish the Missouri Breaks Scenic River in the State of Montana; to the Committee on Interior and Insular Affairs.

H.R. 1887. A bill to establish the Gates of the Arctic National Park in the State of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1888. A bill to provide for the addition of certain lands to the Mount McKinley National Park in the State of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1889. A bill to revise the boundary of the city of Refuge National Historical Park, in the State of Hawaii, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1890. A bill to establish the Hells Canyon-Snake National River in the States of Idaho, Oregon, and Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1891. A bill to provide that the historic property known as the Congressional Cemetery may be acquired, protected, and administered by the Secretary of the Interior as part of the park system of the National Capital, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1892. A bill to provide for the establishment of the Clara Barton House National Historic Site in the State of Maryland, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1893. A bill relating to the construction of an oil pipeline system in the State of Alaska; to the Committee on Interior and Insular Affairs.

H.R. 1894. A bill to establish a Commission on Fuels and Energy to recommend programs and policies intended to insure, through maximum use of indigenous resources, that the U.S. requirements for low-cost energy be met, and to reconcile environmental quality requirements with future energy needs; to the Committee on Interstate and Foreign Commerce.

H.R. 1895. 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. 1896. 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. 1897. 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. 1898. A bill to authorize the Secretary of Health, Education, and Welfare to require hospitals as a condition to participation in Federal programs to meet accreditation standards established by him; to the Committee on Interstate and Foreign Commerce.

H.R. 1899. A bill to establish the Federal Commission on Accreditation of Hospitals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1900. A bill to clarify the intent of Congress with respect to State "Buy American" laws; to the Committee on the Judiciary.

H.R. 1901. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

H.R. 1902. A bill to transfer the Coast Guard to the Department of Defense; to the Committee on Merchant Marine and Fisheries.

H.R. 1903. A bill to extend to hawks and owls the protection now accorded to bald and golden eagles; to the Committee on Merchant Marine and Fisheries.

H.R. 1904. A bill to amend the Federal Salary Act of 1967, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1905. A bill to amend title III of the act of March 3, 1933, commonly referred to as the "Buy American Act", with respect to determining when the cost of certain articles, materials, or supplies is unreasonable; to define when articles, materials, and supplies have been mined, produced or manufactured in the United States; to make clear the right of any State to give preference to domestically produced goods in purchasing for public use, and for other purposes; to the Committee on Public Works.

H.R. 1906. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 1907. 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. 1908. A bill to limit the authority of the Veterans' Administration and the Office of Management and Budget with respect to the construction, acquisition, alteration, or closing of veterans' hospitals, and to prohibit the transfer of Veterans' Administration real property unless such transfer is first approved by the House Committee on Veterans' Affairs; to the Committee on Veterans' Affairs.

H.R. 1909. A bill to amend title 38 of the United States Code to prohibit payment of hospital inspection fees by the Administrator of Veterans' Affairs to the Joint Commission on the Accreditation of Hospitals until certain information regarding such inspections is received by the Administrator; to the Committee Veterans' Affairs.

H.R. 1910. A bill to amend title 38, United States Code, to authorize a treatment and rehabilitation program in the Veterans' Administration for servicemen, veterans, and ex-servicemen suffering from drug abuse or drug dependency; to the Committee on Veterans' Affairs.

H.R. 1911. A bill to amend chapter 31 of title 38, United States Code, to authorize additional training or education for certain veterans who are no longer eligible for training, in order to restore employability lost due to technological changes; to the Committee on Veterans' Affairs.

H.R. 1912. A bill to amend title 38 of the United States Code to make the children of certain veterans having a service-connected disability rated at not less than 50 percent eligible for benefits under the war orphans' educational assistance program; to the Committee Veterans' Affairs.

H.R. 1913. A bill to amend section 503 of title 38, United States Code, to provide that payments to an individual under a public or private retirement, annuity, endowment, or similar plans or programs shall not be counted as income for pension until the amount of payments received equals the contributions thereto; to the Committee on Veterans' Affairs.

H.R. 1914. 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. 1915. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

H.R. 1916. A bill to assure to all Americans adequate protection against the costs of health care, through Federal-State programs covering all costs incurred by those who are unable to provide such protection for themselves and a Federal program covering catastrophic costs incurred by those who are normally able to provide such protection; to the Committee on Ways and Means.

H.R. 1917. A bill to amend the Social Security Act by providing for the release of information concerning certain aspects of the medical programs authorized by the act, and for other purposes; to the Committee on Ways and Means.

H.R. 1918. A bill to amend section 6302 of the Internal Revenue Code of 1954 with respect to the deposit of certain employment taxes by small employers; to the Committee on Ways and Means.

By Mr. SAYLOR (for himself, Mr. BROYHILL of Virginia, Mr. DOWNING, Mr. SATTERFIELD, Mr. WAMPLER, Mr. W. C. (DAN) DANIEL, Mr. WHITEHURST, Mr. ROBINSON of Virginia, Mr. BUTLER, Mr. ROBERT W. DANIEL, JR., and Mr. PARRIS):

H.R. 1919. A bill to authorize the Secretary of the Interior to establish the George Washington Boyhood Home National Historic Site in the State of Virginia; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR (for himself, Mr. MORGAN, Mr. BARRETT, Mr. FLOOD, Mr. CLARK, Mr. DENT, Mr. NIX, Mr. MOORHEAD of Pennsylvania, Mr. SCHNEEBELI, Mr. GREEN of Pennsylvania, Mr. JOHNSON of Pennsylvania, Mr. MCDADE, Mr. ROONEY of Pennsylvania, Mr. GOODLING, Mr. VIGORITO, Mr. BIESTER, Mr. EILBERG, Mr. ESHLEMAN, Mr. GAYDOS, Mr. WILLIAMS, Mr. COUGHLIN, Mr. YATRON, Mr. WARE, Mr. HEINZ, and Mr. SHUSTER):

H.R. 1920. A bill to designate the portion of the project for flood control protection on Chartiers Creek that is within Allegheny County, Pa., as the "James G. Fulton Flood Protection Project"; to the Committee on Public Works.

By Mr. SCHNEEBELI (for himself and Mr. CORMAN):

H.R. 1921. A bill to amend the Internal Revenue Code of 1954 to provide refunds in the case of certain uses of tread rubber, and for other purposes; to the Committee on Ways and Means.

By Mr. TEAGUE of California:

H.R. 1922. A bill to authorize the Secretary of the Interior to acquire private lands in California for water quality control, recreation, and fish and wildlife enhancement, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1923. A bill to amend the Communi-

cations 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.

By Mr. WAGGONNER:

H.R. 1924. 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. 1925. A bill to amend the Drug Abuse Office and Treatment Act of 1972 to permit the voluntary disclosure of certain patient records to employers; to the Committee on Interstate and Foreign Commerce.

H.R. 1926. A bill to exercise the authority of Congress to enforce the 14th amendment to the Constitution by defining for the purposes of the equal protection guarantee the term "unitary school system," and to declare the policy of the United States respecting certain voluntary transfers by students among certain schools of any school system; to the Committee on the Judiciary.

H.R. 1927. A bill relating to the conservation of natural resources upon lands of the United States and amending certain provisions of the Outer Continental Shelf Lands Act and the Mineral Leasing Act; to the Committee on the Judiciary.

H.R. 1928. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to reimburse States for the Federal share of the costs of future construction of toll roads, and for other purposes; to the Committee on Public Works.

H.R. 1929. A bill to amend title 23 of the United States Code to provide for the designation of certain priority primary routes; to the Committee on Public Works.

H.R. 1930. A bill to amend the Tariff Act of 1930 so as to apply countervailing duties to duty-free merchandise causing injury to domestic industry, to expedite findings and determinations under countervailing duty procedures, and for other purposes; to the Committee on Ways and Means.

H.R. 1931. A bill to promote the foreign policy and trade interests of the United States by providing authority to negotiate a commercial agreement with Rumania, and for other purposes; to the Committee on Ways and Means.

H.R. 1932. 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. 1933. 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. 1934. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of social clubs and certain other membership organizations; to the Committee on Ways and Means.

H.R. 1935. A bill to amend section 501(c)(4) of the Internal Revenue Code of 1954 in order to extend its application to endowment care funds of cemeteries; to the Committee on Ways and Means.

H.R. 1936. A bill to amend the Internal Revenue Code of 1954 to provide for a distribution deduction in the case of certain cemetery perpetual care fund trusts; to the Committee on Ways and Means.

H.R. 1937. A bill to amend the Highway Revenue Act of 1956, and for other purposes; to the Committee on Ways and Means.

By Mr. WRIGHT:

H.R. 1938. 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.

By Mr. YATES:

H.R. 1939. A bill to amend title 18 of the United States Code to protect more fully certain constitutional rights; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 1940. A bill to amend the Food Stamp Act of 1964, to exclude from coverage by the act every household which has a member who is on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1941. A bill to amend title 10, United States Code, to authorize a treatment and rehabilitation program for drug dependent members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 1942. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 1943. A bill to authorize designated employees of the National Park Service and the U.S. Forest Service to make arrests for violation of Federal laws and regulations, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1944. 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. 1945. A bill to authorize the Secretary of Commerce to transfer surplus Liberty ships to States for use in marine life conservation programs; to the Committee on Merchant Marine and Fisheries.

H.R. 1946. A bill limiting the use for demonstration purposes of any federally owned property in the District of Columbia, requiring the posting of a bond, and for other purposes; to the Committee on Public Works.

H.R. 1947. A bill to amend title II of the Social Security Act to provide for the payment of wife's or husband's insurance benefits (and widow's or widower's insurance benefits in cases of continuous entitlement) without regard to age where the insured individual (on the basis of whose wage record such benefits are payable) is or has been entitled to disability insurance benefits; to the Committee on Ways and Means.

By Mr. BROTZMAN:

H.J. Res. 156. Joint resolution to mandate consideration of comprehensive legislation reforming, recodifying, and simplifying the Federal income, estate, and gift tax laws; to the Committee on Rules.

By Mr. CARTER:

H.J. Res. 157. Joint resolution designating the American rose as the national floral emblem of the United States; to the Committee on House Administration.

H.J. Res. 158. Joint resolution proposing an amendment to the Constitution of the United States to permit voluntary participation in prayer in public schools; to the Committee on the Judiciary.

By Mr. DAVIS of Wisconsin:

H.J. Res. 159. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

By Mr. DOWNING:

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of 8 years; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.J. Res. 161. Joint resolution establishing the birthplace of the Rev. Dr. Martin Luther King, Jr., in Atlanta, Ga., as a national historic site; to the Committee on Interior and Insular Affairs.

H.J. Res. 162. Joint resolution designating January 15 of each year as "Martin Luther King Day"; to the Committee on the Judiciary.

By Mr. GERALD R. FORD:

H.J. Res. 163. Joint resolution designating the week commencing January 28, 1973, as International Clergy Week in the United States and for other purposes; to the Committee on the Judiciary.

By Mr. FREY:

H.J. Res. 164. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

H.J. Res. 165. Joint resolution proposing an amendment to the Constitution to provide the right of persons lawfully assembled to participate in nondenominational prayer; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.J. Res. 166. Joint resolution to designate February 11–17, 1973, as National Vocational Education, and National Vocational Industrial Clubs of America (VICA) Week; to the Committee on the Judiciary.

H.J. Res. 167. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.J. Res. 168. Joint resolution to protect U.S. domestic and foreign policy interests by making fair employment practices in the South African enterprises of U.S. firms a criteria for eligibility for Government contracts; to the Committee on the Judiciary.

H.J. Res. 169. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

H.J. Res. 170. Joint resolution to authorize and request the President to issue annually a proclamation designating the second Sunday of October of each year as "National Grandparents Day"; to the Committee on the Judiciary.

H.J. Res. 171. Joint resolution to authorize the establishment of a Joint Committee on Peace; to the Committee on Rules.

By Mr. PEYSER:

H.J. Res. 172. 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. 173. Joint resolution to establish a Joint Committee on the Environment; to the Committee on Rules.

By Mr. PRICE of Illinois:

H.J. Res. 174. 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. 175. Joint resolution to direct the Federal Communications Commission to conduct a comprehensive study and investigation of the effects of the display of violence in television programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.J. Res. 176. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 177. Joint resolution to create a select joint committee to conduct an investigation and study into methods of significantly simplifying Federal income tax return forms; to the Committee on Rules.

H.J. Res. 178. Joint resolution to establish a Joint Committee on the Environment; to the Committee on Rules.

By Mr. SAYLOR:

H.J. Res. 179. Joint resolution creating a Federal Committee on Nuclear Development to review and reevaluate the existing civilian nuclear program of the United States; to the Joint Committee on Atomic Energy.

H.J. Res. 180. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. WAGGONNER:

H.J. Res. 181. Joint resolution proposing an amendment to the Constitution of the United States providing that no public school student shall, because of his race, creed or color, be assigned to or required to attend a particular school; to the Committee on the Judiciary.

H.J. Res. 182. Joint resolution proposing an amendment to the Constitution of the United States with respect to participation in voluntary prayer or meditation in public buildings; to the Committee on the Judiciary.

H.J. Res. 183. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.J. Res. 184. Joint resolution to establish a Joint Committee on Aging; to the Committee on Rules.

By Mr. MATHIS of Georgia:

H.J. Res. 185. Resolution establishing a National Commission to investigate the Olympic Games of 1972; to the Committee on the Judiciary.

By Mr. DOWNING:

H. Con. Res. 60. Concurrent resolution expressing the sense of Congress with respect to reducing the balance-of-payments deficit by encouraging American industry and the American public to ship and travel on American ships; to the Committee on Merchant Marine and Fisheries.

By Mr. HELSTOSKI:

H. Con. Res. 61. 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.

H. Con. Res. 62. Concurrent resolution expressing the sense of Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial and religious groups; to the Committee on Interstate and Foreign Commerce.

H. Con. Res. 63. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

By Mr. PEYSER:

H. Con. Res. 64. 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. Con. Res. 65. Concurrent resolution to relieve the suppression of Soviet Jewry; to the Committee on Foreign Affairs.

H. Con. Res. 66. Concurrent resolution expressing congressional recognition of a declaration of general and special rights of the mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Illinois:

H. Con. Res. 67. Concurrent resolution that the Congress hereby creates an Atlantic Union delegation; to the Committee on Foreign Affairs.

H. Con. Res. 68. Concurrent resolution calling for a free and united Ireland; to the Committee on Foreign Affairs.

H. Con. Res. 69. Concurrent resolution requesting the President of the United States to take affirmative action to persuade the Soviet Union to revise its official policies concerning the rights of Soviet Jewry; to the Committee on Foreign Affairs.

H. Con. Res. 70. Concurrent resolution urging review of the United Nations Charter; to the Committee on Foreign Affairs.

H. Con. Res. 71. Concurrent resolution calling for a national commitment to cure and control cancer within this decade; to the Committee on Interstate and Foreign Commerce.

H. Con. Res. 72. Concurrent resolution expressing the sense of Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

H. Con. Res. 73. Concurrent resolution expressing the sense of Congress in opposition to the closing of Public Health Service hospital and clinics; to the Committee on Interstate and Foreign Commerce.

H. Con. Res. 74. Concurrent resolution to establish a Joint Committee on Impoundment of Funds; to the Committee on Rules.

H. Con. Res. 75. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

By Mr. SAYLOR:

H. Con. Res. 76. Concurrent resolution expressing the sense of Congress respecting Federal expenditures; to the Committee on Government Operations.

By Mr. SYMINGTON (for himself and Mr. FREY):

H. Con. Res. 77. Concurrent resolution expressing the sense of the Congress with respect to the cooperative agreements on science and technology, medical science and public health, the environment, and space which were recently entered into in Moscow by the United States and the Soviet Union; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. BINGHAM, Mr. BOLAND, Mr. BURKE of Massachusetts, Mr. BURTON, Mr. CLAY, Mr. CONTE, Mr. EILBERG, Mr. GREEN of Pennsylvania, Mrs. HECKLER of Massachusetts, and Mr. KOCH):

H. Res. 114. Resolution; an inquiry into the extent of the bombing of North Vietnam, December 17, 1972, through January 10, 1973; to the Committee on Armed Services.

By Mr. HARRINGTON (for himself, Mr. LEHMAN, Mr. LONG of Maryland, Mr. MATSUNAGA, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. REES, Mr. RIEGLE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SEIBERLING, Mr. STOKES, Mr. STUDDS, Mr. VANIK, and Mr. WOLFF):

H. Res. 115. Resolution; an inquiry into the extent of the bombing of North Vietnam, December 17, 1972, through January 10, 1973; to the Committee on Armed Services.

By Mr. HELSTOSKI:

H. Res. 116. Resolution expressing the sense of the House that the U.S. Government should seek the agreement of other governments to a proposed treaty prohibiting the use of any environmental or geophysical modification activity as a weapon of war, or the carrying out of any research or experimentation with respect thereto; to the Committee on Foreign Affairs.

H. Res. 117. Resolution to abolish the Committee on Internal Security and enlarge the jurisdiction of the Committee on the Judiciary; to the Committee on Rules.

By Mr. WAGGONNER:

H. Res. 118. Resolution to continue U.S. control of the Panama Canal; to the Committee on Foreign Affairs.

By Mr. PEYSER:

H. Res. 119. Resolution relative to Irish national self-determination; to the Committee on Foreign Affairs.

H. Res. 120. Resolution calling for peace in Northern Ireland and the establishment of a united Ireland; to the Committee on Foreign Affairs.

H. Res. 121. Resolution providing for two additional student congressional interns for Members of the House of Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from the District of Columbia; to the Committee on House Administration.

By Mr. PRICE of Illinois:

H. Res. 122. Resolution urging the President to release appropriated public works funds now frozen; to the Committee Appropriations.

H. Res. 123. Resolution concerning the continued injustices suffered by Jewish citizens of the Soviet Union; to the Committee Foreign Affairs.

H. Res. 124. Resolution expressing the sense of the House of Representatives with respect to an international compact regarding the safety of persons entitled to diplomatic immunity; to the Committee on Foreign Affairs.

H. Res. 125. Resolution calling for peace in Northern Ireland and the establishment of a united Ireland; to the Committee on Foreign Affairs.

H. Res. 126. Resolution urging the President to resubmit to the Senate for ratification the Geneva Protocol of 1925 banning the first use of gas and bacteriological warfare; to the Committee on Foreign Affairs.

H. Res. 127. Resolution creating a select committee of the House to conduct a full and complete investigation of all aspects of the energy resources of the United States; to the Committee on Rules.

H. Res. 128. Resolution expressing the sense of the House of Representatives with respect to actions which should be taken by Members of the House upon being convicted of certain crimes, and for other purposes; to the Committee on Standards of Official Conduct.

MEMORIALS

Under clause 4 of rule XXII,

8. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the effect of air pollution on forest trees; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACKBURN:

H.R. 1948. A bill for the relief of Edgar P. Faulkner; to the Committee on the Judiciary.

H.R. 1949. A bill for the relief of Hazel W. Lawson; to the Committee on the Judiciary.

H.R. 1950. A bill for the relief of George E. Ray; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 1951. A bill for the relief of Robert J. Ebbert and Design Products Corp., Troy, Mich.; to the Committee on the Judiciary.

By Mr. BROTZMAN:

H.R. 1952. A bill for the relief of James P. Doyle and Florene A. Doyle; to the Committee on Agriculture.

By Mr. CORMAN:

H.R. 1953. A bill for the relief of Mary P. Cain; to the Committee on the Judiviary.

By Mr. DAVIS of Wisconsin:

H.R. 1954. A bill for the relief of Frank Tsao; to the Committee in the Judiciary.

By Mr. GUDE:

H.R. 1955. A bill for the relief of Rosa Ines Toapanta; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 1956. A bill for the relief of American Edelstaal, Inc.; to the Committee on the Judiciary.

H.R. 1957. A bill for the relief of Juan Carlos Torres; to the Committee on the Judiciary.

H.R. 1958. A bill for the relief of Martin Tarnowsky and John Tarnowsky; to the Committee on the Judiciary.

H.R. 1959. A bill for the relief of Pio de-Flaviis; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 1960. A bill for the relief of Antonio Passalaqua; to the Committee on the Judiciary.

By Mr. MEEDS:

H.R. 1961. A bill for the relief of Mildred Christine Ford; to the Committee on the Judiciary.

By Mr. MILLS of Arkansas:

H.R. 1962. A bill authorizing the payment of retired pay to Lawrence E. Ellis; to the Committee on the Judiciary.

H.R. 1963. A bill for the relief of Arnold D. Crain; to the Committee on the Judiciary.

H.R. 1964. A bill for the relief of Joseph P. Connolly, M. Sgt. U.S. Air Force Reserve (retired); to the Committee on the Judiciary.

By Mr. ROGERS (by request):

H.R. 1965. A bill for the relief of Theodore Barr; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 1966. A bill for the relief of the AIRCO Corp. (formerly AIRCO/BOC Cryogenic Plants Corp.), a subsidiary of AIRCO, Inc.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

PRESIDENT SEES STRONG NATIONAL SPACE ROLE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 9, 1973

Mr. TEAGUE of Texas. Mr. Speaker, immediately following the return of the Apollo 17 astronauts to earth, the President issued a significant statement. It was a statement which should encourage all Americans that have been concerned that our national space program would continue to decline. The President stated that the United States would continue to play a major role in space and supported the concept of Skylab and the importance of a low cost space transportation system—the space shuttle.

As the President so aptly points out, today we deal in facts; in terms of our industrial capacity, and technological expertise, and only adequate support of both the administration and Congress will return the promise so well described in his message. I urge the reading of these important comments of the President to my colleagues and the general public:

NIXON SAYS NATION TO CONTINUE MAJOR SPACE ROLE

The safe return of the command module America marks the end of one of the most significant chapters in the history of human endeavor. In October, 1958, this nation set about sending men into a hostile, unknown environment. We had little idea what lay before us, but there was new knowledge to be gained, and there was a heritage of meeting historical challenge—the challenge of greatness—to be sustained. Project Mercury, begun in 1958, taught us that man could survive and work in space. In 1961, President Kennedy voiced the determination of the United States to place a man on the moon. We gained the understanding and the technology to embark on this great mission through Project Gemini, and we accomplished it with the Apollo lunar exploration series. In 1969, for the first time, men from the planet earth set foot on the moon.

PROBING THE MEANING OF HUMAN EXISTENCE

Since the beginning of Apollo, nine manned flights have been made to the moon. Three circled that nearest neighbor in the universe, six landed and explored its surface. We have barely begun to evaluate the vast treasure store of extra terrestrial data and material from these voyages, but we have already learned much and we know that we are probing our very origins. We are taking another long step in man's ancient search for his own beginnings, pressing, beyond knowledge of the means of human existence to find, perhaps, the meaning of human existence.

Nor is this great work ending with the return of Gene Gernan, Jack Schmitt and Ron Evans from the moon today. Rather it has barely begun. As Sir Isaac Newton attributed his accomplishments to the fact that he stood "upon the shoulders of giants," so Newton himself is one of the giants upon whose shoulders we now stand as we reach for the stars. The great mathematician once wrote: "I do not know what I may appear to the world; but to myself I seem to have been only like a boy playing on the seashore, and diverting myself in now and then finding a smoother pebble or a prettier shell than ordinary, whilst the great ocean of truth lay all undiscovered before me." I believe we have finally moved into that gerat ocean, and we are trying now to understand what surrounds us.

SPACE HISTORY WILL CONTINUE

The making of space history will continue, and this nation means to play a major role in its making. Next spring, the Skylab will be put into orbit. It will be aimed not at advancing the exploration of deep space, but at gaining in space new knowledge for the improvement of life here on earth. It will help develop new methods of learning about the earth's resources, and new methods of evaluating programs aimed at preserving and enhancing the resources of all the world. It will seek new knowledge about our own star, the sun, and about its tremendous influence on our environment. Scientists aboard the Skylab will perform medical experiments aimed at a better knowledge of man's own physiology. Also they will perform experiments aimed at developing new industrial processes utilizing the unique capabilities found in space. Skylab will be our first manned space station. It will be in use for the better part of a year, permitting the economy of extended usage, and laying the groundwork for further space stations.

Economy in space will be further served by the space shuttle, which is presently under development. It will enable us to ferry space research hardware into orbit without requiring the full expenditure of a launch vehicle as is necessary today. It will permit us to place that hardware in space accurately, and to service or retrieve it when necessary instead of simply writing it off in the event it malfunctions or fails. In addition, the shuttle, will provide such routine access to space that for the first time personnel other than astronauts will be able to participate and contribute in space as will nations once excluded for economic reasons.

The near future will see joint space efforts by this nation and the Soviet Union in an affirmation of our common belief that the hopes and needs that unite our people and all people are of greater consequence than the differences in philosophy that divide us.

Finally, we will continue to draw knowledge from the universe through the use of unmanned satellites and probes.

We cannot help but pause today and remember and pay homage to those many men and women—including those who made the ultimate sacrifice—whose hopes, whose energies, skill and courage enabled the first man to reach the moon and who now have seen with us perhaps the last men in this century leave the moon. But the more we look back, the more we are reminded that our thrust has been forward and that our place is among the heavens where our dreams precede us, and where, in time, we shall surely follow.

Though our ancestors would have called the deeds of Apollo miraculous we do not see our age as an age of miracles. Rather, we deal in facts, we deal in scientific realities, we deal in industrial capacity, and technological expertise, and in the belief that men can do whatever they turn their hands to. For all this, however, can we look at the record of 24 men sent to circle the moon or to stand upon it, and 24 men returned to earth alive and well, and not see God's hand in it?

Perhaps, in spite of ourselves, we do still live in an age of miracles. So if there is self-congratulation, let it be tempered with awe, and our pride with prayer, and as we enter this special time of spiritual significance, let us reserve a moment to wonder at what human beings have done in space and to be grateful.

NEW HIGHWAY SAFETY REGULATIONS

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, January 11, 1973

Mr. HARRY F. BYRD, JR. Mr. President, the December 21 edition of the Richmond Times-Dispatch included an excellent editorial on the subject of new highway safety regulations soon to be adopted by the National Highway Traffic Safety Administration.

The purpose of these new rules is admirable. I firmly support improvements in the laws governing highway safety, and I feel there is a legitimate role for the Federal Government to play in this field.

However, I believe the Federal role should be one of encouragement and assistance and not one of compulsion. Unfortunately, the new rules would go far in the direction of compulsion—indeed, in many areas they represent a replacement of the authority of State governments by dictates from Washington.

I ask unanimous consent that the editorial, entitled "Uncle Knows Best," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNCLE KNOWS BEST

The process by which the federal government gradually but steadily erodes the power of the states is well illustrated in a field