ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL MONDAY, APRIL 16, 1973

Mr. ROBERT C. BYRD. Mr. President, so that all Senators may know, I ask unanimous consent that, when the Senate completes its business tomorrow, it stand in adjournment until 12 o'clock noon on Monday next.

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

ORDER FOR ADJOURNMENT FROM MONDAY TO TUESDAY, APRIL 17, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Monday next, it stand in adjournment until 12 o'clock meridian on Tuesday, April 17, 1973.

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

ORDER FOR ADJOURNMENT FROM TUESDAY TO 10 A.M. ON WEDNESDAY, APRIL 18, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Tuesday next, it stand in adjournment until 10 a.m. on Wednesday, April 18, 1973.

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

ORDERS FOR RECOGNITION OF SENATORS AND FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, the distinguished Senator from Michigan (Mr. GRIFFIN) be recognized for not to exceed 15 minutes; that he be followed by Mr. ROBERT C. BYRD for not to exceed 15 minutes; that at the conclusion of the two aforementioned orders, there be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to three minutes each, at the conclusion of which the Senate resume its consideration of S. 352.

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 10 a.m. After the leaders or their designees have been recognized under the standing order, the distinguished Senator from Michigan (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes; to be followed by the junior Senator from West Virginia (Mr. ROBERT C. BYRD) for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

The Senate will then resume consideration of the unfinished business, S. 352. There is no time agreement on that bill. Yea-and-nay votes can be anticipated on amendments thereto. I am reasonably assured that there will be amendments offered which would require yea-and-nay votes.

The Senate will be in session next Monday, Tuesday, and Wednesday prior to the recess for the Eastern weekend. Yea-and-nay votes are expected on Monday, Tuesday, and Wednesday next. The unfinished business, S. 352, will continue to be before the Senate, and amendments may be offered thereto. Tabling motions, of course, are in order, as are motions to recommit, refer, and so forth. So Senators may formulate their schedules accordingly.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and at 5:10 p.m. the Senate adjourned until tomorrow, Friday, April 13, 1973, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 12, 1973:

DEPARTMENT OF STATE

Robert J. McCloskey, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

William H. Sullivan, of Rhode Island, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines.

U.S. DISTRICT COURTS

Albert G. Schatz, of Nebraska, to be a U.S. district judge for the district of Nebraska vice Richard A. Dier, deceased.

DEPARTMENT OF JUSTICE

James L. Treece, of Colorado, to be U.S. attorney for the district of Colorado for the term of 4 years, reappointment.

IN THE U.S. AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. George J. Eade, [redacted] FR (major general, Regular Air Force) U.S. Air Force.

HOUSE OF REPRESENTATIVES—*Thursday, April 12, 1973*

The House met at 12 o'clock noon.

Rev. Edward J. Mechunes, St. Bartholomew's Roman Catholic Church, Philadelphia, Pa., offered the following prayer:

Lord God, our Heavenly Father, we stand here in Your presence today, and with humble hearts, beseech that in Your divine wisdom, You will guide and direct the proceedings of this august body. Bless our country and these Members of the House of Representatives that they may always display a just and charitable judgment in all things, and that the people of our Nation and of the world may benefit by their profound decisions.

Make them ever conscious of the solemn duties which You have imposed on them, so that in all humility and trust, the citizens of this Nation and of all humanity may walk in the pathway of peace and charity for all mankind. Make them ever mindful of the words of the psalmist who tells us: *"Unless the Lord build the house, they labor in vain who build it; unless the Lord guard the city, in vain does the guard keep watch."* Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 210. Joint resolution asking the President of the United States to declare the fourth Saturday of September, 1973, "National Hunting and Fishing Day";

H.J. Res. 275. Joint resolution to authorize the President to issue a proclamation designating the month of May, 1973, as "National Arthritis Month"; and

H.J. Res. 437. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week."

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 51. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1973, as "National Historic Preservation Week"; and

S.J. Res. 73. Joint resolution to authorize the President to proclaim April 16, 1973, as "Jim Thorpe Day."

THE REVEREND EDWARD J. MECHUNES

(Mr. EILBERG asked and was given permission to address the House for 1 minute.)

Mr. EILBERG. Mr. Speaker, I would like to thank Father Mechunes for his most inspirational prayer.

I invited Father Mechunes to deliver the invocation today because I believe he represents a spirit and a feeling that is all too lacking in our Nation and all over the world today.

During his 36 years as a priest in the Philadelphia archdiocese, Father Mechunes has been the leader of charity drives in every parish in which he has served.

Presently he is an associate rector at St. Bartholomew's Church in my district in northeast Philadelphia.

He is a member of the Catholic Near East Welfare Association and he is in charge of the parish clothing drive and the Catholic charities appeal.

Father Mechunes is a man whose life is dedicated to the service of others. He is continually reaching out to help as many people as he can with no thought of reward for himself.

All of us in northeast Philadelphia are proud of this dedicated man and we hope he will be with us for many years to come.

NATIONAL CATASTROPHIC DISASTER INSURANCE

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

Mr. FLOOD. Mr. Speaker, I am today reintroducing what I call the national catastrophic disaster insurance bill. It will be two bills, because of the House rules which call for only 25 cosponsors on a bill. So far there will be 50 cosponsors. Of course, it will be a duplicate bill.

The title speaks for itself, the national catastrophic disaster insurance bill.

FINANCIAL DISCLOSURE REPORTS

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

Mr. PRICE of Illinois. Mr. Speaker, I take this occasion, as chairman of the House Committee on Standards of Official Conduct, to remind Members, officers, and designated employees of the House that April 30 is the deadline for the filing of financial disclosure reports for the calendar year 1972, as provided in House rule XLIV.

The forms for these reports were sent earlier this year to all Members, officers, professional staff members of committees, and to employees designated by Members and committee chairmen.

I call attention to the approaching deadline for the purpose of expediting the filings. To all who are required to file, I would urge that you get your reports to the committee office as expeditiously as possible. Processing of the reports, issuance of receipts therefor, and other routine require considerable time and effort. So, in the interest of avoiding an 11th-hour rush, I urge early filings by those who have not yet complied with the rule.

Additional forms, if needed, together with any guidance that may be required, are available from the committee's staff.

PUBLIC HEALTH SERVICE HOSPITAL BILL

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

Mr. ADAMS. Mr. Speaker, the Department of Health, Education, and Welfare has made it amply clear that it intends to terminate inpatient services at the Public Health Service hospitals on July 1, 1973. In the case of the hospital in Seattle—and I am sure in virtually every other hospital involved—this action would result in vast deterioration of care to the people of the Seattle community, and even HEW estimates that the cost of care would skyrocket to a level almost twice as high as the price of care provided in the Public Health Service hospital.

It is clear that HEW is only interested in ridding itself of the Public Health Service hospitals, irrespective of the true cost and irrespective of the cries of dismay from the communities and patients that would be without the services of the hospitals.

I am strongly opposed to this action, as are my colleagues from Washington State. We are introducing this legislation today to insure that the Seattle hospital remains open and that money authorized and appropriated by the Congress for the operation of the hospital and its programs is used for those purposes specified by Congress. In the Senate, the distinguished senior Senator from Washington State, Mr. MAGNUSON, is introducing the same legislation.

I know that my colleagues whose districts are affected by the impending closure are as concerned as we are about the situation. I will be glad to reintroduce this legislation and invite them to join us by including their hospitals in this bill and adding their names as cosponsors.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON S. 1494

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file its report on S. 1494.

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

There was no objection.

TRADE BILL STEP TOWARD FULFILLING PROMISE TO HEMISPHERE

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

Mr. FASCELL. Mr. Speaker, the "Trade Reform Act of 1973" which was introduced yesterday should be welcomed by our friends throughout the hemisphere. It is the first substantive step toward fulfilling our promise to the nations of this hemisphere that the United States would seek a world system of generalized tariff preferences for the developing nations.

The new proposed trade bill does not attempt to tie our neighbors to the south to a "Yankee dollar" market. Rather, by offering a willingness to join with our industrial trading partners in Europe and Asia in extending a generalized system of duty-free tariff treatment of their increasingly important manufactured and semimanufactured products, it helps open not only the U.S. market, but European and Asian markets as well, to these export earners of needed foreign exchange.

It discourages colonial or neocolonial market hegemony and so-called reverse preferences which are as discriminatory to Latin American exports as to North American in the industrialized markets of the world.

This bill is a step in the direction of inter-American economic partnership on a basis of equality.

OPEN WARFARE ON AMERICAN FARMERS

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

Mr. GROSS. Mr. Speaker, speaking to the directors of the Advertising Council in Los Angeles yesterday, Dr. John Dunlop, Chairman of President Nixon's Cost of Living Council, challenged American farmers to open warfare.

According to the Los Angeles Times, he warned farmers against withholding their cattle from market, asserting that since January the volume of cattle sales has gone down 20 to 25 percent.

We know, he said, "that this is partly deliberate."

He predicted that cattle will start moving to market in greater volume in the next 2 or 3 weeks even if the meat boycott means lower prices.

But if cattle withholding continues, he warned that "We will have to act." Dunlop did not spell out what force use.

Mr. Speaker, I long ago questioned the presence of anyone in the White House who has a real understanding of agriculture, and I predict here and now that if President Nixon and/or his advisers want open warfare with America's farmers all they have to do is try to force these farmers to market their products at the whim of the White House.

This is not yet Russia.

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

Mr. GROSS. Yes, I yield to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Speaker, may I ask the gentleman this: If I have a farm—and I have a hundred cows on my farm, and have enough grass to feed them, is somebody going to tell me that I have to sell them whether I want to or not? I do not believe anyone will put up with that, Dr. Dunlop notwithstanding.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS CONGRESS MUST TAKE A STRONG ROLE IN TRADE NEGOTIATIONS

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

Mr. O'NEILL. Mr. Speaker, the President has submitted to the Congress a request for trade legislation of unprecedented scope. He is asking for a vast new delegation of congressional authority for the use of the Executive.

Plainly, the United States will face its most important trade negotiations this fall since World War II. But we must remember in our deliberations that the power the President seeks would partake substantially of the Congress' constitutional responsibilities—for the raising of revenues, the review of foreign policy, and the domestic welfare.

We are dealing once again with the doctrine of shared powers. It is the same question that has arisen because of the President's attempt to appropriate unto himself vast tracts of authority on domestic matters—particularly spending priorities.

In both instances, the answer is the same. The power is meant to be shared by the Executive and the Legislature.

I was glad to note, therefore, that the President made such a point of emphasizing that his trade bill was drafted in consultation with Members of Congress. I was heartened to hear that he promises continuing consultation on trade.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN REPORTS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

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

There was no objection.

ANNOUNCEMENT BY MAJORITY LEADER

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we have been informed that the gentleman from Pennsylvania (Mr. FLOOD) will offer an amendment to the emergency supplemental bill today to provide some $800 million for student assistance in higher education institutions.

BEEF CONTROVERSY

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

Mr. SMITH of Iowa. Mr. Speaker, with regard to the controversy concerning beef, I noticed a chorus of people who claimed to be concerned about beef supplies yesterday, said we ought to stop international trade in beef.

I thought the Members might be interested to know that in January and February our imports of beef were $233.1 million, while our exports were $9.4 million. In other words, our imports were about 25 times as much as our exports. This shows how much misinformation is being distributed to justify restraints on beef sales.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE REPORT ON H.R. 6370 TO EXTEND REGULATION Q, UNTIL MIDNIGHT APRIL 14

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight on Saturday, April 14, to file the committee report on H.R. 6370, to extend regulation Q and for other purposes.

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

There was no objection.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE REPORT ON H.R. 6452, TO AMEND THE URBAN MASS TRANSPORTATION ACT, UNTIL MIDNIGHT APRIL 16

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight on Monday, April 16, to file the committee report on H.R. 6452, to amend the Urban Mass Transportation Act of 1969.

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

There was no objection.

U.S. TROOPS IN ITALY

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

Mr. CARTER. Mr. Speaker, last year the United States spent $141 million for maintenance of troops in Italy. To have provided pure water to the rural areas of the United States would have cost $120 million above the $30 million spent prior to December 19, 1972.

Does this administration place the defense of Italy above provision of pure water for the rural areas of these United States? Does it make commonsense to maintain 10,000 troops in Italy, or 215,000 troops in Germany? False logic has been submitted that it costs no more to maintain these troops overseas than in the United States.

The statement is incorrect. It does cost more, and every dollar spent overseas increases our tremendous balance-of-payments deficit. If maintenance of troops abroad continues, within a year I submit a third devaluation of the dollar is not only possible but probable.

If you are for economy and for strengthening the American dollar, here is an opportunity to save billions. By starting removal of these troops, this purpose can be accomplished, and to do so makes commonsense.

AUTHORIZING ADDITIONAL OFFICE ALLOWANCE FOR CERTAIN OFFICIALS OF THE HOUSE OF REPRESENTATIVES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 342, a privileged resolution, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 342

Resolved, That, until otherwise provided by law, effective April 1, 1973, there shall be paid out of the contingent fund of the House for office personnel and for rental or lease of necessary equipment for the conduct of the business of the office of each of the following officials of the House of Representatives the following per annum amounts:

(1) The Speaker, $40,000.
(2) The majority leader, $30,000.
(3) The minority leader, $30,000.
(4) The majority whip, $30,000.
(5) The minority whip, $30,000.
(6) The chief deputy majority whip, $40,000.
(7) The chief deputy minority whip, $40,000. Such amounts shall be in addition to all other amounts to which such officials may be entitled.

Mr. HAYS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with, and that it be printed in the RECORD.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would ask whether there are copies of this resolution available.

Mr. HAYS. If the gentleman from Iowa will yield, I would state that there are copies available. I have several copies right here if the gentleman from Iowa would like to have them.

Mr. GROSS. Does the gentleman from Ohio propose to take some time to explain what this resolution does?

Mr. HAYS. The gentleman from Ohio does propose to explain the resolution.

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

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

There was no objection.

Mr. HAYS. Mr. Speaker, this is a resolution which has been cleared with the leadership on both sides of the aisle, authorizing to be paid out of the contingent fund of the House additional sums for the conduct of the business of the offices of the leadership on both sides of the House, which would include office personnel and rental or lease of necessary equipment for the conducting of the business of the House. This rental language is in the resolution because it has been unclear whether they do have the authority, as the Members do, to lease or rent certain equipment to conduct their offices.

The leadership have indicated that they need additional sums.

We read in the newspapers about the inadequacy and the inability of the Congress to cope with the tremendous bureaucracy of the executive branch, and the committee believes that this would

enable our leadership to better function in conducting the business of the House.

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

Mr. HAYS. Yes. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. This is for the benefit of six Members of the House, I take it?

Mr. HAYS. I would say to the gentleman from Iowa that I consider it to be more than that, because I think every Member relies to a degree upon the leadership on his side of the aisle. For example, we rely on whip communications, whip notices, to keep us apprised of what business is coming up, at least it enables them to put out the whip notices so that we may have ample notice as to when there is a vote on a question to be had, and also so that we can be on the floor for certain amendments. So I would say that in that sense it seems to me it is a benefit for the House and for the people.

Mr. GROSS. If the gentleman from Ohio will permit me, let me say that I now see that there are seven instead of six beneficiaries.

Mr. HAYS. Evidently the gentleman from Iowa had not turned the page over.

Mr. GROSS. Yes, I see there is an additional one so that there are seven of the House leadership. However, I doubt that even with a few more employees they can cope with the executive branch.

Mr. HAYS. I hope they are going to add some new employees and procure some new equipment.

I might tell the gentleman from Iowa that this Member, as chairman of the Committee on House Administration, that on this side of the aisle we want to authorize money that is going toward an improved whip call which will automatically call every Member's office when an important vote is coming up. I hope that some of this money, and I believe it is, is going to be used for equipment to better enable these gentlemen to conduct their various offices.

I might say further to the gentleman from Iowa that I perhaps am a little bit lax as far as my explanation is concerned, and I would wish that my predecessor, Mr. Friedel, were here to explain the resolution because he could probably do it better than I can, but I will do the best I can under the circumstances.

Mr. GROSS. I will say to the gentleman from Ohio that he is coming through loud and clear in behalf of this resolution.

I might also say to the gentleman that I have not had any criticism of the leadership on this side of the aisle insofar as notification is concerned. I am pretty well notified as to what is going on with the present number of personnel. And I am not going to ask the gentleman this question, because I am sure he is fully aware of it, but I do not know where the additional personnel are going to be located around here. We are told on every hand that space is at a premium, and we are also told on every hand that parking space is at a premium, and when you are going to beef up the personnel then it is only going to compound these problems.

Moreover, I wish to say this—and I am not going to pursue this. If no one else is going to, I am not going to pursue it, but I see a good many employees here on the floor of the House each day who at times are busy, and at other times are not busy. I would think that the leadership could draw upon the employees presently employed by the House rather than going into this expenditure for additional employees.

Mr. HAYS. I am glad the gentleman brought that up. Let me say to the gentleman that in one case that I know of this will not cost the taxpayers a single dime, because I have arranged with the whip on our side to absorb one of the employees who is being paid out of the contingent fund at large and to put him on his payroll, so for that money it is simply a bookkeeping transaction. But the gentleman will have a job, and he will have an office, and he will be doing the work, and he will just be moved from one payroll to another.

The gentleman and I are two-thirds of the Parking Committee. I guess we can announce—or I can with the gentleman's concurrence—that any additional employees around here as far as parking is concerned are on a catch-as-catch-can basis to find their own. Is that not about right?

Mr. GROSS. That is absolutely right. I will say to the gentleman in response to his statement that some of this expense is going to be absorbed that I, for one, am always thankful for small favors.

Mr. HAYS. Let me say to the gentleman that—which he knows if he has read the paper—the House Administration Subcommittee under the gentleman from Illinois (Mr. ANNUNZIO) has abolished some 49 jobs around here. They were nonessential jobs.

So if these 7 are essential, we still come up with a net gain of 42 to the good and I believe the leadership has the right to the tools they believe necessary.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. HAYS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRESIDENT TO PROCLAIM APRIL 16, 1973, as "JIM THORPE DAY"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 73) to authorize the President to proclaim April 16, 1973, as "Jim Thorpe Day."

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 73

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, (1) in recognition of Jim Thorpe having been chosen the greatest athlete in the first half of the twentieth century by the Associated Press, (2) in appreciation for the standards of excellence set by Jim Thorpe which have taught all Americans to recognize the innate dignity of their fellow citizen, the American Indian, (3) in recognition of Jim Thorpe's example of overcoming social and economic barriers to achieve excellence, and blazing a trail for other talented minority Americans, and (4) in honor of the recognition Jim Thorpe brought to all Americans with his triumph at the 1912 Olympics, the President is authorized and requested to issue a proclamation designating April 16, 1973, as "Jim Thorpe Day", and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

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

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the joint resolution just passed (S.J. Res. 73).

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

There was no objection.

REPORT ON STATUS OF ADVISORY COMMITTEES IN 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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 Government Operations:

To the Congress of the United States:

In accordance with the provisions of Sec. 6(c) of the Federal Advisory Committee Act, the report on the status of advisory committees in 1972 is herewith forwarded.

RICHARD NIXON.

THE WHITE HOUSE, *April 12, 1973.*

JOB SECURITY ASSISTANCE ACT OF 1973—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-83)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Difficult as it may be to live by the old saw, a sunny day remains the best time to fix a leaky roof. That is why today—with civilian employment in the American economy at an all-time record high of 83.9 million workers, with a solid business expansion continuing, and with the rate of unemployment down to 5 percent and likely to decline still further this year—I am requesting prompt action by the Congress on several reforms in our unemployment insurance system.

The principles behind my proposals

were originally advanced as part of my unemployment insurance package almost four years ago. Most of that package became law in August, 1970, when I signed the far-reaching Employment Security Amendments of 1970. At that time coverage was extended to some 6 million jobs which had never before been eligible for unemployment insurance; a much-needed provision for extended benefits triggered automatically at high unemployment levels was added to the system; and basic financial and administrative improvements were effected. In all, these were the most significant improvements ever made in our system of assistance for persons between jobs since that system was established in 1935.

Left unfulfilled in the 1970 legislation, however, were several important objectives on this Administration's agenda for working Americans. The Job Security Assistance Act of 1973, which we are proposing to the Congress today would meet those objectives by making three major changes in our unemployment insurance system:

—First, it would establish minimum benefit standards for the States, providing an adequate level of benefits to all workers who are covered by the system.

—It would also extend coverage for the first time to most farm employees.

—Finally, it would set up strong safeguards to preserve the neutrality of the unemployment insurance system during industrial disputes.

GUARANTEEING AN ADEQUATE LEVEL OF BENEFITS

A properly designed system of unemployment insurance should serve a dual purpose—both helping to tide individual workers financially over the periods when they are without a job, and stabilizing the economy as a whole by helping make up for wage losses which would otherwise cut consumer purchasing power and accelerate business downturns.

But effective performance of both of these functions depends on the provision of benefits which are adequate in relation to a worker's usual weekly wage. It is generally accepted that unemployment benefits are inadequate unless they are equal to at least half what workers would be earning if employed. Otherwise, families relying on the benefits will too often be unable to meet their basic, nondeferrable living expenses, and communities hit by unemployment will find that aggregate benefits are too little to have a significant counter-recessionary impact.

Under present Federal law, the setting of formulas to determine minimum and maximum benefit levels is largely the province of the individual States. On paper, most States do promise the unemployed worker a benefit equal to one-half his usual weekly wage. But many of them also place unrealistically low ceilings on maximum benefit amounts, rendering the guarantee meaningless for a large percentage of workers, especially family breadwinners. In fact, more than two-fifths of all workers now covered by the unemployment insurance system find their benefits limited by State ceilings at a level *below* the half-pay ostensibly guaranteed them.

In my July, 1969, unemployment insurance reform proposals to the Congress, I asked for action by the States themselves to remedy this serious deficiency. I suggested that the maximum benefit ceiling in each State be raised to at least two-thirds of the average wage of that State's covered workers. The goal was to provide at least four-fifths of the Nation's insured work force half-pay or better when unemployed.

While many States responded in part to this request, only four States, whose workers comprise less than 3 percent of the national covered work force, actually established the standard I had recommended. However, States comprising more than three-fifths of the national covered work force still have weekly benefit ceilings that are less than half their average weekly wage levels. Without denigrating the good-faith efforts of numerous legislatures to liberalize the benefit structure, we simply cannot be content with this situation any longer. The time has come for Federal action.

My proposed Job Security Assistance Act would therefore amend the Federal Unemployment Tax Act by adding a provision that every eligible insured worker, when unemployed, must be paid a benefit equal to at least 50 percent of his average weekly wage, up to a State maximum which shall be at least two-thirds of the average weekly wage of covered workers in the State.

The decentralization of our national unemployment insurance system is one of its greatest strengths. This decentralization permits more flexible adjustment to local needs and circumstances, and I believe that it should be preserved. I also believe, however, that the States have a responsibility to adhere to the basic principles of the system, and that it is up to the Federal Government to furnish such standards and guidelines as may be necessary to protect those principles. That is why I am now submitting to the Congress the same benefit reform recommendation that I urged the States to adopt in 1969.

Estimates indicate that this new requirement would result in an average increase of 15 percent in costs to State pooled unemployment insurance funds, which would, in turn, affect the costs of employers whose taxes support our unemployment compensation programs. To put this increase in perspective, however, we should note that unemployment insurance is one of the least expensive of all fringe benefits related to employment—accounting for less than a penny in each payroll dollar. Considering the enormous importance of this protection to unemployed workers and to economic stability in general, the relatively small cost of keeping it adequate and up to date is a very sound investment.

When the new Federal benefit standard goes into effect, our unemployment insurance system would begin delivering on its promise to working Americans in a way it has never delivered before. The special programs which in the past have substituted for inadequate State unemployment benefit payments—such as the special allowances provided under the Trade Expansion Act of 1962 for workers who lose their jobs because of foreign imports—would become unnecessary as unemployment benefits are raised to fairer levels.

Upon passage of the unemployment insurance reforms proposed today and of the trade proposals which I outlined to the Congress earlier this week, trade adjustment assistance would be gradually phased out and replaced with a temporary program of Federal supplements to bring up to an adequate level the State unemployment benefits for workers displaced by import trade. When State unemployment payments come up to the half-pay minimum I am seeking, the Federal supplement payments would be discontinued, since all workers would then be eligible under the liberalized State laws for benefits that are reasonably adequate in amount. Some would even be eligible for larger weekly benefits than they can now receive under the Trade Expansion Act adjustment assistance program.

The Job Security Assistance Act would thus make unemployment insurance protection more equitable for everyone, by assisting all workers evenhandedly regardless of the reason for their loss of job. Unemployment is just as costly to an individual and his family whether it results from trade, environmental constraints, fluctuations in government procurement, declines in business activity, or any other cause. The effect of my proposals would be to remove arbitrary distinctions among such causes in protecting workers who are involuntarily out of work.

UNEMPLOYMENT PROTECTION FOR THE FARMWORKER

Agriculture is America's oldest and largest industry—and increasingly it truly is an industry, not just an individual enterprise. A growing percentage of the people engaged in farming no longer are their own bosses but work as someone else's employees. Most of these employees earn relatively low wages, have only precarious job security, and have no termination pay coming if they are laid off. Many are members of disadvantaged minority groups.

For all of these reasons, I consider it of urgent importance that we act at once to extend unemployment insurance coverage to as many agricultural employees as can feasibly be accommodated in the system.

Farmworkers were originally denied unemployment insurance protection on the ground that it was not administratively feasible to cover many thousands of family-operated farms which kept no payroll records. This objection has since been disproved, however, by the successful extension of income and Social Security taxes to a large number of such enterprises.

In 1970 the Congress postponed action on my recommendations for extending coverage to agricultural labor, directing instead that a study be made on the question. The study was undertaken by the Department of Labor in cooperation with land-grant universities and State employment security agencies, and the results are now in. They conclusively demonstrate the administrative and

financial feasibility of extending unemployment insurance coverage to approximately 66,000 agricultural enterprises employing some 635,000 agricultural workers.

Accordingly, the Job Security Assistance Act which I am recommending to the Congress would modify the present agricultural labor exclusion provisions of the Federal Unemployment Tax Act, bringing under the unemployment system any farm operator who employs four or more workers in each of 20 weeks in a calendar year or who pays wages for agricultural labor of at least $5,000 in a calendar quarter. The change would take effect on January 1, 1975, thus allowing State legislatures time to make necessary adjustments in their unemployment compensation laws.

The criterion of payroll size was not included in my 1969 farm coverage proposal. Adding this test strengthens the bill by substantially increasing the number of farm jobs affected. The new bill also includes safeguards to help ensure that migrant workers—who especially need unemployment protection—will not be disqualified because of the special problems associated with record-keeping and tax collection in migrant employment.

The coverage definition I am proposing would provide needed protection to the employees of larger agricultural businesses without needlessly adding to the difficulties of small farm operations. It would achieve coverage for about two-thirds of all hired farmworkers while affecting fewer than one in 14 farm employers.

In most States, coverage of the larger agricultural enterprises would be self-financing, with the contributions of these concerns meeting the full cost of benefit payments to their workers who become unemployed. Net increases in benefit costs to State pooled funds should be zero in most cases and negligible in all but two States. Even in these two instances, the net increases would amount to only 20 cents or less per $100 of taxable wages.

I know that many in the Congress share my concern that agricultural employees are too frequently excluded from the rights and protections afforded to workers in other industries, and I hope for prompt Congressional approval of this proposal so that we can begin rectifying the injustice. We cannot in good conscience defer this action any longer.

MAINTAINING NEUTRALITY IN INDUSTRIAL DISPUTES

As we move to establish a uniform Federal standard that would ensure adequate State benefit levels, we must also insist on strong safeguards to preserve the neutrality of the unemployment insurance system in industrial disputes. The unemployment tax which an employer is required to pay was never intended to supplement strike funds of those engaged in a dispute with the same employer. Neither, on the other hand, was the income protection which unemployed workers are guaranteed under the insurance system intended to be interrupted when an innocent bystander is put out of work by someone else's dispute.

I therefore propose that the Federal Unemployment Tax Act be amended to prohibit both the payment of unemployment insurance benefits to strikers and the practice of denying benefits to nonstrikers. A gray area does exist between the clear-cut extremes of strike participation and non-participation, where complex definitional problems can arise. Resolution of these problems can properly be left to the judgment of individual States. But to deal with the clear cases, it is appropriate for the Federal Government to set a uniform standard on which each State can elaborate. This the Job Security Assistance Act would do.

Our unemployment insurance system puts some of America's finest principles into action—including those of prudent provision during times of affluence for times of need; effective compassion for our fellow citizens; creative partnership between the Federal Government and the States; and supportive action by the public sector to help keep our private enterprise system stable, healthy, just, and humane.

The Congress can significantly improve the system's fidelity to each of these guiding principles by enacting the proposed Job Security Assistance Act of 1973. This legislation would bring genuine improvement in the lives of millions of those people on whom the Nation depends most heavily—our working men and women.

RICHARD NIXON.

THE WHITE HOUSE, *April 12, 1973.*

CONFERENCE REPORT ON H.R. 1975, EMERGENCY LOANS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 1975) to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes.

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

There was no objection.

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 11, 1973.)

Mr. POAGE. Mr. Speaker, as the Members know, the emergency loan program under the Farmers Home Administration was announced terminated on December 27 by the Secretary of Agriculture and from that date there have been no new counties designated by the Secretary as being disaster areas nor have there been any emergency loans made by the Farmers Home Administration since that date although counties that have previously been designated by the President were given an additional 18 days in which to perfect the filing of their applications under the then current provisions of the law.

The Small Business Administration has continued to make disaster loans in designated areas at 1 percent, with the forgiveness feature that has characterized the emergency loan program under the Hurricane Agnes Act.

In originally enacting H.R. 1975, the primary concern of the Committee on Agriculture was the emergency loan program terminated by the Secretary of Agriculture. The bill we passed out of the House represented a responsible approach to the problem of insuring that disaster loans would be available to farmers who truly needed an available source of emergency credit.

The other body, however, adopted three basic amendments to H.R. 1975.

First, there was adopted an amendment seeking to include the term "erosion" as an integral part of the term "disaster" within the Disaster Relief Act of 1970. The conferees were not sure of the effect of the amendment and were therefore reluctant to agree to it without further study and greater information than was available to them.

Another amendment adopted by the other body was basically the language that will be the subject of a subsequent motion. This is the Tower amendment adopted during debate and its purpose was to impose the same interest rate on Small Business Administration loans. The amendment to that amendment, as the conference report states, is basically a change requested by the administration to make the Senate amendment effective with respect to loans "made" in connection with any disasters occurring on or after the date of enactment. The original language would have been effective with respect to all loans "approved" on or after the date of enactment of the bill.

In recommending the adoption of the amendment it will hardly be necessary, Mr. Speaker, to point out that we are not attempting to infringe on the jurisdiction of another committee. Toward that end our recommendation is an attempt to make certain we get a bill that will meet the urgent needs for emergency credit in the disaster areas that remain undesignated and which are being increased each day by the rampaging Mississippi River and other natural disasters. Our action on this amendment is not a precedent for any future action.

Nevertheless, the conferees on the part of the House remain concerned that after we had resolved the differences of the two bills in conference we were left with an unfair situation whereby the potential recipients who were to be funded by the Small Business Administration loans at 1 percent subsequent to December 27 and prior to date of enactment of the bill would be better off than the rural resident who would have been offered, at best, the opportunity to receive only 5 percent loans without the forgiveness feature.

Accordingly, I discussed the problem with a former member of this body, the able Administrator of the Small Business Administration, Mr. Kleppe, and with representatives of the President, and we have reached a solution that will take care of the most glaring inequities of the two loan programs during the period between December 27 and the date

of enactment of H.R. 1975. Rather than describe it in my own words, I will read herewith the letter received from Mr. Kleppe on Tuesday announcing an administration policy change affecting the emergency loan program.

SMALL BUSINESS ADMINISTRATION,
Washington, D.C., April 10, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to express the Administration's intentions with respect to disaster loans to be made by the Small Business Administration for disaster damage sustained by residents of rural areas.

Effective immediately, SBA will accept disaster loan applications for damage sustained by farmers and other residents of rural areas as a result of all disasters declared by the President since December 27, 1972. Assistance will be made available to such borrowers, however, only for damage sustained to dwellings and household contents. Such loans made by SBA with respect to disasters occurring prior to the date of enactment of H.R. 1975 will carry the terms and benefits provided by Public Law 92-385, which include cancellation of up to $5,000 and a rate of interest of 1 percent per annum. Of course, these present benefits will apply to *all* loans made in such areas, whether the loans themselves are made prior to or after the date of enactment.

SBA is not in a position to refinance existing Farmers Home Administration mortgages. When a rural area resident has an FHA mortgage, however, SBA will contact the local FHA representative and attempt to work out an equitable financing package for the homeowner. Every effort will be made by both agencies to restore the applicant to pre-disaster condition with no increase in periodic installment payments.

When a loan to a farmer is involved, SBA will determine the extent of the damages sustained and the amount of loan which the applicant is eligible to receive. Since the farmer may well be dependent upon FHA or a Production Credit Association for production loans, and since FHA or the PCA may hold mortgages on the farm itself, SBA will consult with the local FHA representative to work out a total financing package which will permit the farmer to continue to operate.

The Office of Management and Budget has expressed its concurrence in the foregoing arrangements.

Sincerely,

THOMAS S. KLEPPE,
Administrator.

The other amendments adopted by the Senate would have given applicants for SBA loans 18 days after enactment of the bill to apply for such loans at the old rate. The conferees of the other body agreed to recede on the amendment because the substitute language for the amendment No. 4 would give applicants an unlimited period within which to file their applications.

Mr. Speaker, this bill represents the best available compromise to get a sound emergency loan program into operation immediately. Toward that end, I think it does a good job.

Mr. Speaker, I yield to the gentleman from California (Mr. TEAGUE) such time as he may consume.

Mr. TEAGUE of California. Mr. Speaker, I rise in support of the conference report on H.R. 1975. As the distinguished gentleman from Texas has pointed out, this conference report represents a very constructive and necessary legislative effort to meet the pressing credit needs of many people who have been victims of natural disasters throughout the Nation.

I would draw the attention of the House to the fact that this conference report has been approved by all the conferees from the House and the other body.

I am also confident that it will be signed into law by the President.

The main thrust of this legislation is to repeal the current provisions of law that apply to both the Small Business Administration and the Farmers Home Administration with respect to loans at 1 percent with a $5,000 forgiveness. In lieu of these provisions which recent experience tells us were, in many cases, overgenerous, H.R. 1975 proposes emergency loans at a flat 5-percent interest rate.

There are two key dates that are involved in this legislation. The first is December 27, 1972, the date the President terminated the secretarially designated disaster program and the second is the date of enactment of this bill.

As explained by the chairman, the treatment of disaster victims before December 27, 1972, during the period December 27, 1972 and date of enactment, and after date of enactment will be somewhat different.

The conference committee, however, has tried to adjust these differences in an effort to achieve equity for victims whose losses occurred during each of these three periods. As Members will recall, during House debate on this bill, our colleague from Minnesota (Mr. BERGLAND) offered an amendment which was later adopted to allow an 18-day "window" for eligible borrowers in certain secretarially declared disaster areas to obtain the benefits of the $5,000 forgiveness, 1 percent loan program. In the other body an amendment was adopted to terminate $5,000 forgiveness, 1 percent loans through the Small Business Administration. The conference report brings back to the House both provisions. Thus, the Bergland amendment, which is estimated to result in an outlay of some $300 million—of which approximately $180 million would be forgiveness—is slated to become law.

In the future, however, loans made by both FHA and SBA will be at a flat 5-percent rate, with no forgiveness.

Finally, Mr. Speaker, as the gentleman from Texas has pointed out, the administration has pledged to make loans to farmers and other rural residents in Presidentially declared areas for disasters that occurred during the hiatus period between December 27, 1972, and the date of enactment of this bill.

In conclusion, Mr. Speaker, let me say that this is truly a compromise bill and it reflects the sincere effort of both the conferees and the administration to achieve a constructive result for the benefit of the American people. I therefore urge the adoption of the conference report and the motion of the gentleman from Texas to concur in the Senate amendment No. 4 with the amendment

Mr. GILMAN. Mr. Speaker, the consideration of the conference report on H.R. 1975, the emergency loan program amendments, affords me an opportunity to express the farmers' displeasure with the Farmers Home Administration and the opportunity to emphasize certain aspects of this legislation.

A number of the muckland vegetable farmers in Orange County, N.Y., which I have the privilege of representing, suffered severe crop losses during Hurricane Agnes last June. By virtue of the Disaster Relief Act and the passage of the Emergency Agnes-Rapid City Act last August, it was intended by Congress that disaster loans would be made available on a long-term basis. Forgiveness was not considered to be a major factor of the assistance by the farmers, but it was felt that long-term assistance was necessary to refinance the indebtedness incurred for 1972 crops that were lost.

The final outcome has been far from adequate and has not truly reflected the intent of Congress. As of now, almost 10 months after the Agnes devestation, many of our farmers are still awaiting approval by the Farmers Home Administration of short-term emergency operating loans to finance the planting of their 1973 crops.

The medium-sized family operators are in a worse predicament. They not only agonized over the prolonged delays in securing immediate operating funds, but they have been completely foreclosed on long-term emergency loans of the refinancing type because of he agency's self-imposed limitation of $300,000 of real estate indebtedness.

Recognizing the need for more reasonable credit terms under the emergency loan program, the House Agriculture Committee stated on page 4 of its report accompanying H.R. 1975:

> The Committee observes that in many instances in the past, emergency loans were made under terms which eventually became too burdensome to the borrower. There were many occasions where a farmer was given a one-year loan only to discover that there was no possible way he could recover within a one-year period. The Committee intends that loans shall be made for a longer duration to give the farmer every opportunity to recover from his losses. Consideration shall be given by the Farmers Home Administration to this particular point because it is foolish in the long run to make a loan under terms too confining to allow the farmer to continue his operation.

Mr. Speaker, consistent with the tragedies and hardships resulting from natural disasters such as Hurricane Agnes, the adoption of more reasonable credit terms is only good commonsense. The business-as-usual attitude of the Farmers Home Administration in dealing with the Agnes disaster is blatantly contrary to the spirit of the Agnes-Rapid City Act. The FHA aid that has been forthcoming has been too little and, in many instances, too late. Crops not planted cannot be recouped.

In addition to more reasonable credit terms, I would go a step further in recommending to the Secretary that the $300,000 real estate indebtedness limitation applicable to long-term emergency loans of the refinancing type should be reexamined with a view to waiving such a limitation in disasters. It is senseless to

force potentially economically viable operations to remain at a subsistence level of operation by allowing only 1-year production-type emergency loans, offering only a faint glimmer of hope for recovering from disaster-incurred losses.

Disasters are not selective of the so-called family-sized farm. There is no sound reason to perpetuate the void that now exists between the FHA's self-imposed $300,000 real estate indebtedness limitation for long-term emergency loans and the provisions of section 237 of Public Law 91-606, authorizing the FHA to make long-term emergency loans to agricultural enterprises without regard to limitations found in any other provision of law or regulation. Section 237, which authorizes such assistance where the enterprise constitutes a major source of employment in the disaster area and where the enterprise is no longer in substantial operation as a result of the disaster, has not been implemented by the FHA to date.

H.R. 1975 is intended to be an interim program for the administration of emergency loans, pending consideration of more comprehensive disaster legislation. However, such speculative proposals should not be used by the Farmers Home Administration in adopting regulations that would impair the objectives of H.R. 1975 of making timely and adequate emergency loans or short- and long-term duration for farmers who have suffered disaster losses, regardless of the size of their farms.

Mr. POAGE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 3, after line 17, insert:

SEC. 9. Notwithstanding the provisions of any other law, any loan approved by the Small Business Administration on or after the date of enactment of this Act under sections 7(b) (1), (2), or (4) of the Small Business Act (15 U.S.C. 636(b) (1), (2), or (4)) shall bear interest at the rate determined under section 324 of the Consolidated Farm and Rural Development Act, as amended by section 4 of this Act. No portion of any such loan shall be subject to cancellation under the provisions of any other law.

MOTION OFFERED BY MR. POAGE

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

The Clerk read as follows:

Mr. POAGE moves that the House recede from its disagreement to the amendment No. 4 and agree to that amendment with an amendment inserting in lieu of the language proposed by the Senate, the following:

"SEC. 9. Notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with any disaster occurring on or after the date of enactment of this Act under sections 7(b) (1), (2), or (4) of the Small Business Act (15 U.S.C. 636(b) (1), (2), or (4)) shall bear interest at the rate determined under section 324 of the Consolidated Farm and Rural Development Act, as amended by section 4 of this Act. No portion of any such loan shall be subject to cancellation under the provision of any law."

Mr. POAGE. Mr. Speaker, the amendment No. 4, the so-called Tower amendment relating to disaster loans under the Small Business Administration, has been reported back in technical disagreement, since it appeared that it might not be germane to the original House-passed bill. In H.R. 1975 we were amending the emergency loan program under the Farmers Home Administration; the Tower amendment related to the Small Business Administration, a matter that would ordinarily not come under the jurisdiction of our committee.

Accordingly, while the agreement of the conferees on the part of the House was to accept the amendment, we have complied with the rules of the House in reporting it back in technical disagreement. The motion at the desk is in compliance with the recommendations of the conferees that the House recede from its disagreement to the amendment No. 4 and concur in that amendment with an amendment inserting, in lieu of the language proposed by the other body, language suggested by the administration and agreed to by the conferees.

The language of the amendment, and the purpose of the Amendment is to impose the same interest rate—5 percent—on Small Business Administration disaster loans as the House bill imposes on the Farmers Home Administration emergency loans and remove the $500 forgiveness feature from such SBA loans. The effective date of the change would be the date of enactment of the bill, and the changes would apply to any disaster occurring on or after the date of enactment of this act.

Mr. Speaker, this so-called Tower amendment is under the jurisdiction of the Banking and Currency Committee and we want it understood that the Agriculture Committee is not planning any jurisdiction. We are planning no jurisdiction. I ask unanimous consent to insert a copy of a letter written by the chairman of the Banking and Currency Committee at this point which points cut that this is not to be considered a precedent in regard to jurisdiction.

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

There was no objection.

Mr. POAGE. Mr. Speaker, the letter is as follows:

COMMITTEE ON BANKING AND CURRENCY,
Washington, D.C., April 2, 1973.

Hon. W. R. POAGE,
Chairman, House Agriculture Committee, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that very shortly your Committee will go to Conference on H.R. 1975, which passed the Senate on Wednesday, March 28.

While the House-passed version of the legislation dealt solely with an interest rate increase on Farmers Home Administration disaster loans, the Senate amended the legislation to cover disaster loans made by the Small Business Administration.

Under the Senate-passed version, the present SBA disaster loan rate of 1 per cent coupled with a maximum forgiveness of $5,000 of the loan would be dropped and disaster borrowers would be charged a flat 5 per cent interest rate.

The Senate amendment is not only nongermane, but comes at a time when not a single hearing has been held on such a proposal.

When Public Law 92-385 was enacted last year, it provided for 1 per cent disaster loans with a $5,000 forgiveness for both SBA and FHA loans. It further provided that these rates would be in effect until June 30, 1973, and that by January 1 of this year the President was to send legislative recommendations to the Congress for either extending the program or setting up a new program. The Administration has violated the law by failing to send Congress its legislative recommendations. The Office of Emergency Preparedness, which was charged with preparing the legislation told me that although they could not meet the January 1 deadline, they would be able to provide the legislation by March 1. We are now into the month of April and still the Administration has failed to comply with the law by sending its legislative recommendations to Congress.

If H.R. 1975 is adopted in its present form, thousands of homeowners and small businessmen who have been victims of disasters in recent weeks, including the tornadoes which struck in the East this weekend, will be forced to pay thousands of dollars extra in interest costs which they cannot afford. While the disaster program is indeed a subsidized program, I know of no subsidy that is more deserving.

Because the Nixon Administration has not presented Congress with new disaster recommendations, and because there have been no hearings on an increase from 1 per cent to 5 per cent in the rate, and because I, in good conscience, cannot support legislation calling for a 400 per cent increase in an interest rate for disaster victims, I urge you not to accept the Senate SBA amendment to H.R. 1975. Since this is a non-germane amendment, should it be in the conference-reported version of H.R. 1975, I will have to ask for a separate vote on the amendment when the Conference Report is taken up by the House.

Thank you for your cooperation and interest in this matter.

With kindest personal regards, I am

Sincerely yours,

WRIGHT PATMAN,
Chairman.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report (H.R. 1975) just agreed to.

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

There was no objection.

SUPPLEMENTAL APPROPRIATIONS, 1973

Mr. MAHON. Mr. Speaker, pursuant to the order of the House of Tuesday last, I call up for immediate consideration the joint resolution (H.J. Res. 496) making supplemental appropriations for the fiscal year 1973, and for other purposes.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution as follows:

H.J. RES. 496

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1973, namely:

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers", $26,800,000, to remain available until expended.

VETERANS' ADMINISTRATION

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $468,000,000, to remain available until expended.

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

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

There was no objection.

POINT OF ORDER

Mr. CONTE. Mr. Speaker, I raise a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. CONTE. Mr. Speaker, I raise a point of order in regard to the payments to air carriers for an additional amount for "payments to air carriers" in the amount of $26,800,000, to remain available until expended.

The point of order is that it exceeds the authority to fix rates as set by the Congress under section 406, 72 statute 763, as amended by 76 statute 145, 80 statute 942, and 49 U.S.C. 1376.

The law states:

The Board is empowered and directed, upon its own initiative or upon petition of the Postmaster General or an air carrier, (1) to fix and determine from time to time, after notice and hearing, the fair and reasonable rates of compensation for the transportation of mail by aircraft.

Later on, in section (b) of the same authority to fix rates, the rate may be determined under (3):

The need of each such air carrier (other than a supplemental air carrier) for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other revenue of the air carrier . . .

Therefore, Mr. Speaker, I raise the point of order that this appropriation exceeds the authorization as passed by the Congress and signed into law by the President.

Mr. McFALL. Mr. Speaker, what we are doing in this appropriation is to revise the subsidy to these airlines, which is in the law provided for in which the gentleman from Massachusetts (Mr. CONTE) has read.

His reference to the need for air mail, I am at a loss to understand the relevance of his objections to considering this at this time. These subsidies are the usual subsidies which are provided for in the law. They are provided in the law as the gentleman has read it, and we have a number of court decisions which provide for the legality of this kind of subsidy.

We are trying to provide only in this appropriation bill, that kind of subsidy.

The SPEAKER. The Chair is ready to rule.

The pending House joint resolution is not a general appropriation bill. The point of order which the gentleman has made does not apply to this pending legislation.

The Chair, therefore, overrules the point of order.

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

(By unanimous consent, Mr. MAHON was allowed to proceed for 5 additional minutes.)

Mr. MAHON. Mr. Speaker, we are here today with an urgent supplemental appropriation bill for two items. There is $468 million for veterans readjustment benefits and $26,800,000 for payments to air carriers under the Civil Aeronautics Board.

The committee did not intend to have an urgent supplemental bill this session. Until late last week, there was no indication that the Veterans' Administration might not be able to make the big monthly payment for readjustment benefits from funds available to the VA. We knew that eventually they would need additional appropriations but we were advised that this could be covered with existing transfer authority until a supplemental bill could be processed right after the Easter recess.

We appropriated the full budget estimate of $2,224,400,000 in the regular bill last year. But the enactment last October of the Vietnam Era Veterans' Readjustment Assistance Act of 1972 created a requirement for additional funds. A sum of $318 million was contained in the 1974 budget transmitted to Congress on January 29. However, we understood that even a further amount would be required and on Monday we received a package including a request for $150 million more for this veterans program. So we are here today with this emergency supplemental.

With respect to the CAB item, there are 9 airlines which are not receiving payments under the feeder airline subsidy program. The CAB has been out of money since last month and these are obligations of the Government. We therefore, wisely or unwisely, added this item in the urgent supplemental.

Mr. Speaker, I think it appropriate to take a few minutes to explain to the House some of the difficulties with which the Committee on Appropriations is often faced in dealing with supplemental appropriations. Let me set forth what has happened this year.

Many of the supplemental requests for fiscal year 1973, including some $800 million for programs and about $229 million for pay costs, were transmitted in the 1974 budget which came to Congress on January 29.

With the inclusion of a large number of supplementals in the January budget it appeared that the committee would have ample opportunity to consider and present to the House a catchall supplemental which could be processed and sent to the President before the Easter congressional recess scheduled to begin on April 19.

In the budget we were advised that certain other supplementals would be forthcoming. The committee, through its subcommittees and otherwise, was aware of requirements or potential requirements in a number of areas. We urged, in the best interest of all concerned, that all supplemental budget requests be transmitted in a timely fashion so that all items could be handled before the Easter recess.

We made this appeal several times.

This course of action seemed most reasonable and the result would have been of benefit to all interested in and dependent upon the Federal programs involved. And the Congress would have had opportunity to consider in one package substantially the remaining budget requests for fiscal year 1973. This was in February.

The committee then undertook to schedule hearings in the 12 subcommittees involved. The largest dollar volume of requests were under the jurisdiction of the Labor-HEW Subcommittee. These hearings were held the first week of March. We were anxious to hold other hearings as soon as all the estimates were received. But we began to experience delays.

On March 12, we received a Judiciary supplemental for $543,000. The expected program supplementals were not forthcoming, nor was the big pay cost package which we knew was in the mill. Time to permit handling of a catchall supplemental was beginning to slip by.

On March 22, we received a request for $500 million additional transfer authority for the Department of Defense associated with increased bombing in Southeast Asia.

Still we had none of the expected supplementals and it was becoming uncertain that we could process a supplemental in time to clear the Senate and conference and be sent to the President before the April 19 get away date for the Easter recess.

On March 28, we received the pay cost supplemental package totaling almost $800 mililon but none of the other expected supplementals.

On April 2, we received the District of Columbia budget for 1974 which contained a number of the District of Columbia supplementals for fiscal year 1973.

Finally, on this Monday, April 9, we received the program supplementals requesting over $500 million in appropriations.

Mr. Speaker, a couple of weeks ago it became obvious that we could not handle a wrap-up supplemental and get it to the President before the forthcoming recess. So we set the date of May 3 for reporting the bill to the House. This is the earliest possible date after the recess under the rules.

I might add, Mr. Speaker, that we will expect another request for claims and judgments. It is customary that these be submitted at the last moment in order to cover as many pending claims as possible.

Additionally, I should remind the House that on February 12 the President announced another devaluation of the dollar. A supplemental appropriation of

over $2,000,000,000 will be required to maintain our pro rata contribution to five international financial institutions. That supplemental request is also yet to be received.

Mr. Speaker, I make these remarks not to be critical but to try to shed some light on the problems that confront us in handling the troublesome supplemental items. The battle of the budget is in the headlines daily. The country is entitled to businesslike handling of the Government's fiscal affairs and it behooves the executive and legislative branches to cooperate toward the attainment of this goal. The Committee on Appropriations will continue to cooperate to the fullest extent possible.

Mr. Speaker, before I came to the floor on Tuesday to ask unanimous consent to bring this measure up at any time after yesterday I advised Members that the resolution would cover only the item for the Veterans Administration and the items for the Civil Aeronautics Board. I indicated that I hoped that amendments would not be offered, because we did not want a controversial issue injected into the bill. We did not want to jeopardize the payments to veterans which are provided in the $468 million figure. It has developed since then that there is a certain additional requirement which has come to the attention of officials of HEW and many Members. That is the matter of student assistance.

As I indicated earlier, we had hoped to pass the supplemental before Easter and to include the higher education items, but because of circumstances beyond our control, we had to postpone reporting the general supplemental until May 3. I now understand an amendment will be offered in connection with student assistance programs. I do not propose to discuss it at this time.

(Mr. MAHON asked and was given permission to revise and extend his remarks and include extraneous material.)

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

Mr. MAHON. I yield to my friend from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

What is it the gentleman is trying to say, a bit reluctantly, apparently? Is it that an attempt will be made here today to make a Christmas tree out of this first supplemental, a so-called emergency supplemental bill?

Mr. MAHON. No. There is no Christmas tree aspect to the matter. The amendment to be offered, as I understand it, is not in excess of the amount reported in the budget estimate. It is a matter of hastening consideration of the subject prior to May 8, when we expect to pass the regular supplemental in the House.

Mr. GROSS. I am not alluding the items in House Joint Resolution 496. I am talking about the other amendments the gentleman says may be offered here today. May we expect this afternoon to see a Christmas tree decorated here on the House floor, in addition to the two items in the joint resolution?

Mr. MAHON. I hope not, I say to my friend from Iowa. I hope that we can get the joint resolution approved and enacted into law, in order that the requirements of the veterans may be taken care of. We will see what develops. Of course, this joint resolution is subject to amendment. I hope amendments will be held to a minimum.

So far as I am concerned, I did not intend that any amendments be offered to the measure.

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

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I appreciate the chairman yielding. I want to associate myself with his remarks regarding the urgency of the issues we have in the supplemental today.

I should like to refer to the comment made by my good friend from Iowa regarding the educational assistance aspect. It was not anticipated at the time the original discussions took place.

We are faced with a very basic and fundamental problem; that is, that our students and our college administrators find themselves in a very difficult situation of not being able to make any plans regarding the coming school year.

Far from being a Christmas tree, the idea is to try to make sure that these students get their loans and grants before Christmas. Unless we take this kind of an action we will just be delaying something we would be doing in the supplemental that well be coming up in May anyway. I believe this is just doing a service to the students and to the people who are administering these programs, by doing it this way.

I want to assure the gentleman that it affects all of our American students in all of our districts, and I am confident the gentleman will understand.

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

Mr. MAHON. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. How much did the gentleman say this student loan bill will cost?

Mr. CEDERBERG. The budget figure on that in the supplemental is eight hundred and some million.

Mr. GROSS. Eight hundred and some million. And no notice was given to the Members of the House. We had no previous notice this would be brought up, and it is almost a billion dollar appropriation.

Mr. MAHON. If the gentleman from Iowa (Mr. GROSS) will permit, the Committee on Appropriations had been urged by the leadership and had undertaken to make plans to bring out a separate education appropriation bill in order that adequate information might be available at the earliest possible moment to the colleges and to the students and their parents. The committee had taken the lead in the approach in prior years and wanted to have a separate bill again this year. Unfortunately, this proved to be impossible for a number of reasons.

With respect to the student assistance, we had intended to handle these programs in connection with the supplemental bill we are scheduled to report on May 3. But developments yesterday reversed this. We had extensive hearings on the subject and information was developed in great detail by the Committee on Appropriations on the student assistance programs. The subject has been gone into very extensively, and this is the situation with which we are confronted. The whole matter has been thoroughly considered.

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

Mr. MAHON. I yield to the gentleman from Michigan (Mr. CEDERBERG).

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

I want to say that I completely understand the position of the gentleman from Iowa (Mr. GROSS) and I am sympathetic with him. Let me assure him that I am confident that there is going to be adequate debate and understanding on this particular amendment.

Mr. Speaker, it is probably similar to the debate that would take place in May, only all we are doing is trying to expedite this matter, for the very purpose that I explained to the gentleman before, and I am sure that this has a great deal of merit.

Mr. MAHON. I would want to say, Mr. Speaker, that certainly as chairman of the committee I shall do all I can to see to it that Members have an opportunity to discuss the proposed education amendment which I understand will be offered by the gentleman from Pennsylvania (Mr. FLOOD) the chairman of the subcommittee.

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

Mr. MAHON. I yield to the gentleman from Ohio, Mr. WYLIE.

Mr. WYLIE. Mr. Speaker, may I ask, do I understand that $2.2 billion have already been appropriated during this fiscal year for this Veterans' Administration program?

Mr. MAHON. Yes. But as the result of legislation which was passed by the Congress last year, the educational and training assistance allowance rates were increased. I refer to the Vietnam Era Veterans' Readjustment Assistance Act of 1972, Public Law 92–540 of October 24, 1972.

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

Mr. Speaker, I take this time to briefly explain that portion of the bill which provides some $26.8 million for payments to air carriers. This item covers the Government's obligations to pay subsidy to the carriers in accordance with the rates prescribed for eligible services performed and to be performed during fiscal years 1972 and 1973.

Mr. Speaker, at this time I would like to say that this is not an increase over the budget. This amount was requested in the budget by the administration.

Second, the Government is obligated to pay air carriers in accordance with the rate orders issued by the CAB. The rate has been established, and the Government owes the carriers an additional $26.8 million.

CAB does not have sufficient funds to make its February payments to the air carriers—bills for these payments come in during the first 2 weeks in March. A partial payment we made in March,

but subsequent payments cannot be made until this supplemental is enacted. The local service air carriers rely on these payments to meet their payrolls.

When Chairman Browne testified before my subcommittee last March, he indicated that a study of 1971 operating results, which would serve as a base for a new local service carrier class subsidy rate for fiscal 1972, was in progress and that those results indicated a substantial increase in the industry's reported system need when compared to calendar year 1970. He further indicated that the budget estimates for fiscal 1972 no longer reflected the subsidy need for fiscal 1972 and were subject to revision when a new class rate was issued, and that a revision of the 1973 fiscal year total subsidy estimate of $54 million would, in all probability, be in order when the updating of the study was completed.

On July 25, 1972, the Board issued subsidy class rate VI, fixing final subsidy rates for the local service carriers on and after July 1, 1971. Based on class rate VI, which produces an annual subsidy level of approximately $65.4 million for the local carriers, the Board requires an additional $11.4 million above the $53.6 million appropriation to meet the increased obligations for fiscal 1972. For 1973, the Board's best estimate indicates that the annual level of subsidy will remain unchanged during 1973. Therefore, additional funds of $15.4 million above the $54 million appropriation will be needed to meet obligations as they come due in fiscal 1973. The total supplemental appropriation of $26.8 million meets the increased estimated obligations.

In approving the Board's fiscal 1973 budget request, the report of both the House Committee on Appropriations and the conference report on the Department of Transportation and related agencies appropriation bill, 1973, contained language providing that if the Board found that increased funding was required, the Congress would consider a supplemental request.

The $11.4 million in unpaid obligations for 1972 has actually been paid from the no-year $54 million subsidy appropriation in 1973; the balance of $42.6 million will not be sufficient to pay fiscal 1973 obligations beyond February 1973.

Accordingly, this supplemental appropriation of $26.8 million is required so that there will be no lapse in cash payments to the air carriers and no subsequent disruption of essential air services to the public.

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

Mr. Speaker, as you know, I raised a point of order relating to these airline subsidies and was overruled. I do feel the subsidy payments for these airlines go beyond the scope of the law. The law specifically states that these subsidies are for mail service. However, this is a government of law and not men, and I have been overruled. Therefore, there is little more that I can say. However, I would like to submit, for inclusion at this point in the RECORD, the list of airlines that will be collecting these subsidies.

The list is as follows:

Civil Aeronautics Board—Payments to air carriers, fiscal 1973

[In millions]

Local service:	
Hughes Air Corp. d/b/a Hughes Air West	$10,719
Allegheny Airlines, Inc	4,199
Frontier Airlines, Inc	13,096
North Central Airlines, Inc	8,382
Ozark Air Lines, Inc	5,576
Piedmont Aviation, Inc	7,265
Southern Airways, Inc	7,146
Texas International Airlines, Inc	$8,617
Total	65,000
Alaska:	
Alaska Airlines, Inc	2,154
Kodiak Airways, Inc	121
Western Alaska Airlines, Inc	94
Wien Consolidated Airlines, Inc	2,062
Total	4,431
Total, all carriers	69,431

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS—SUPPLEMENTAL APPROPRIATION, FISCAL 1973

[In thousands of dollars]

Carrier	Balance due for February operations [1]	Amount due for March operations	Total amount past due	Estimated amount due for remainder of year	Total supplemental required
Air West	387	913	1,300	2,700	4,000
Allegheny	108	260	368	2,232	2,600
Frontier	469	1,115	1,584	3,416	5,000
North Central	293	714	1,007	2,393	3,400
Ozark	198	475	673	1,527	2,200
Piedmont	239	619	858	2,242	3,100
Southern	244	609	853	2,047	2,900
Texas International	281	734	1,015	2,585	3,600
Total	2,219	5,439	7,658	19,142	26,800

[1] Represents 47 percent of February subsidy claims; 53 percent of claims were paid in March.

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

(Mr. BOLAND asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. BOLAND. Mr. Speaker, the funds requested in this supplemental appropriation for the VA are urgently required.

The President's 1974 budget requested that the Congress approve a 1973 supplemental appropriation of $318 million for readjustment benefits payments to veterans. This week the VA informed the committee that because of the increased demand created by the new benefits under the Vietnam Era Veterans Readjustment Assistance Act of 1972, the VA's estimates of training loads were too low and that an additional $150 million was required in 1973 to meet these costs. This brought the total supplemental request for readjustment benefits to $468 million for the balance of fiscal year 1973.

The VA also advised the committee that in order to meet the May 1st payment date, the additional funds would be required by April 25—the date the payment schedules are released to Treasury for the May 1 payments.

The $468 million are primarily to cover the additional cost of the education and training allowance increases provided under the Vietnam Era Veterans Readjustment Assistance Act of 1972.

This act provided for increased allowance rates for veterans in college and taking apprenticeship and on-the-job training courses. It also extended additional educational and training benefits for wives and widows and other dependents, and it provided that college and institutional training allowances be paid on the first day of the month rather than the end of the month. This provision insures that the veteran gets the money when he needs it most—at the beginning of each month.

There is no doubt this request is both urgent and important. These new benefits provide support primarily for our Vietnam veterans and their dependents and the dependents of deceased and disabled veterans who were prisoners of war or are missing in action and the current appropriation is depleted.

SUPPORT EDUCATION GRANT-LOAN PROGRAMS

Although it is not presently in this resolution, I understand that an amendment will be offered to add funds for higher education at the proper time.

I shall support the amendment to be offered by my good friend from Pennsylvania (Mr. FLOOD). There are urgent reasons why funds for higher education grant and loan programs should be provided now. This includes $122,100,000 for basic opportunity grants, $210,300,000 for educational opportunity grants, $270,200,000 for college work-study programs, and $269,400,000 for direct student loans.

High school seniors in particular are in the process of making application and plans to attend college this fall. Many need to know if they will receive this assistance. Colleges all over the country also need to know what assistance will be available to students in making their plans to receive these students in the fall semester. The uncertainty of these funds makes it extremely difficult for both students and the institutions.

I urge my colleagues to support this amendment for higher education when it is made. I have received many telegrams and letters from parents and college administrators and deans in support of these programs. I enclose three of these communications as examples of support for the Flood amendment. They are from Sister Irene Socquet, S.S.A., president, Anna Maria College, Paxton, Mass.; Mrs. John J. O'Connor of Spencer, Mass., and Dr. Wilbert E. Locklin, president of Springfield College:

ANNA MARIA COLLEGE,
Paxton, Mass., April 6, 1973.

Hon. EDWARD P. BOLAND.
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BOLAND: I wish to inform you of the impact of the Higher Education Act of 1972 on our program of financial aid to the students at Anna Maria College.

NATIONAL DIRECT STUDENT LOANS

From February 1959 to June 30, 1972, 352 students (unduplicated) have negotiated loans totalling $161,003.22. The cancellation of this program leaves middle-income families unable to take advantage of the substitute program, the Guaranteed Student Loan Program, because of the higher rate of interest and because of the unwillingness of the bankers to implement the program.

I respectfully urge your support for the continued funding of the NDSL program at the threshold level prescribed by the Education Amendments of 1972 (Section 411(b) 4 of the Higher Education Act, as amended) or $286 million plus $7 million for cancellation reimbursement and loans to institutions. Forward funding of the program is essential for planning at the institutional level.

COLLEGE WORK-STUDY PROGRAM

This program, from July 1965 to June 30, 1972, has helped 233 students at Anna Maria College. I request your support of the appropriation of $270.2 million for Fiscal Year 1973 (for use in 1973–74).

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

This program, in my opinion, is needed as a "back-up" for BOG's in the event implementation is delayed or needy students are left out of the BOG program.

Of the 155 students, at Anna Maria College, who have benefited from the EOG's, in the past five years, at a level of $131,697, many are not needy enough to qualify for the new BOG's but are too needy to attend college without some such assistance.

I recommend forward funding at the level of $130 million, as provided in Section 411 (b)4 of the Higher Education Act, as amended.

BASIC OPPORTUNITY GRANTS

This program should not be a replacement program for the EOG, but a supplementary program.

I recommend forward funding at the level of $622 million.

Your influence in favor of these programs will be greatly appreciated.

Sincerely,
Sister IRENE SOCQUET, S.S.A.,
President.

SPENCER, MASS.,
March 21, 1973.

Hon. EDWARD P. BOLAND,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN BOLAND: Though I myself have no children . . . as a taxpayer, registered voter and observer, I am deeply concerned about the recent announcement of President Nixon's cutback of the National Student Defense Loan Program.

While I realize that this will not affect some families at all, I am certain that with this cutback the burden of financing most college educations becomes an overwhelming financial task for the majority of parents—particularly for those who have several young people in school at reasonably close intervals.

I would like to let it be known through your voting power in Congress as my Congressman from the State of Massachusetts, that I am personally against the President's decision on this cutback.

If there is no way of reversing the President's decision, perhaps some workable plan of extending the financial aid program can help both the parents and students find new alternate ways of financing the tremendous cost of educating our children.

These students are America's future! I sincerely believe they deserve all the help from government financial aid programs they can get. If we are to have quality leadership and security in the future, we must be assured of the preparedness only a suitable education can bring.

I urge you strongly to protest this decision through your political powers if at all possible. Thank you.

Fondest personal regards.

Most sincerely,
Mrs. JOHN J. (ELEANOR) O'CONNOR.

SPRINGFIELD COLLEGE,
Springfield, Mass., March 20, 1973.

Hon. EDWARD P. BOLAND,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE BOLAND: As you know, the critical days with regard to appropriations for Federal student aid are before us. This letter is an attempt to give you an awareness of the crushing blow that will be experienced not only by Springfield College but by the education community in general if the Nixon Administration budget request is approved as it has been submitted.

Recently, the regional review panel for HEW Region I, under the direction of Dr. Eino Johnson, approved our request for Federal student aid funds in the following categories and the corresponding amounts.

Program and approved level of funding

Education Opportunity Grant Program	$123,820
College Work Study Program	57,600
National Direct Student Loan Program	201,600

These dollars represent approximately 540 young men and women who are scheduled to enroll here next fall term. The panel's decision to fund Springfield at this level recognized the fact that the needs of these students were both realistic and legitimate.

The Administration budget request asks for no new funds in either the National Direct Student Loan Program or the Educational Opportunity Grant Program. The College Work Study Program is included but only at the same level of funding as in fiscal year 1973. It is significant to note that beginning with fiscal year 1974 proprietary institutions will be eligible to receive benefits under the College Work Study Program. While this fact should not perhaps be criticized, it does mean that institutions currently benefiting from this program will be severely handicapped unless a higher level of funding is approved.

The Administration budget is insensitive because it does not recognize the needs of those students who are currently benefiting from these programs. The new budget seems contrary to both the "sprit" and the "letter" of the bill entitled the "Education Amendments of 1972" which was passed by Congress and signed by President Nixon last June. This bill categorically states that for the "Education Amendments of 1972" to be implemented, the three existing Federal student aid programs must be funded at 80 per cent of the current (fiscal year '73) level. The Administration budget clearly does not do this. It is an obvious attempt to divert current funds to a new Federal program entitled the "Basic Educational Opportunity Grant Program" (BEOG).

Permit me to move directly to the topic of the BEOG program and express some of my concerns relating to it.

In an effort to implement the BEOG program, a task force was appointed to create a formula which would enable a contractor (presently unknown) to arrive at a figure which will represent what a family can reasonably contribute towards the educational costs of a student wishing to attend college. Rather than attempt a description of the formula, I have enclosed a copy of the February 2, 1973 Federal Register which contains it in its entirety. I have also enclosed a copy of a letter and statement by J. Samuel Jones, who is Director of Financial Aid at Massachusetts Institute of Technology. Mr. Jones has stated the case as clearly as anyone can and I offer his comments to you for your consideration. I might add that the position taken by Mr. Jones carries the full endorsement of the Eastern Association of Financial Aid Administrators.

What the proposed BEOG schedule means to Springfield College is as follows. If the BEOG program were to be fully funded, approximately 40 to 50 per cent of our students who are currently receiving Federal student aid would not be eligible to benefit from it. Present indications are that the program will not be fully funded. If BEOG were to be 50 per cent funded (more likely), the remaining 50 to 60 per cent of students formerly eligible would probably receive a maximum grant of $200 to $400. What then are these students who have been benefiting from former Federal student aid programs to do? They will still have a very real need, yet we will certainly be limited in what we can do to assist them.

It is very clear that the ramifications of the proposed budget and BEOG formula are most serious. Our students—540 of them—are subject to losing between $200 and $400 in Federal assistance. They are also faced with an unrealistic BEOG contribution schedule which excludes most of them from receiving the consideration they were formerly given under the EOG program.

Regretfully, it is not possible for Springfield College to make up the difference. During the academic year 1972-73 we will expend roughly $600,000 of our own resources for student aid. This figure for a college our size (2200 students) is one of which we feel proud. If, however, private education is to remain a viable means through which American youth can prepare themselves to become contributing citizens then we must rely on government assistance. Very simply, we need your help.

I urge you to do all in your power to support the spirit and law of the "Education Amendments of 1972" by defeating the proposed Administration budget and the proposed BEOG "Schedule of Family Contribution".

If we can assist you in any way with further background information or more specific facts, please call on us. We are eager to insure that the needs of our students are protected.

Sincerely,
WILBERT E. LOCKLIN.

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

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

Mr. TALCOTT. I thank the gentleman for yielding.

I concur with the remarks of the gentleman from Massachusstts. This is not only a very urgent request for a supplemental appropriation for the Veterans' Administration, but it is noncontroversial. The funds will be required before the end of this month for the payment of readjustment benefits to Vietnam veterans. If we should fail to pass it, it would be very detrimental to many veterans and their families.

I urge adoption of this supplemental.

AMENDMENT OFFERED BY MR. FLOOD

Mr. FLOOD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLOOD: On page 2, after line 4, insert the following:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, Subparts 1 and 2 of Part A ($332,400,000), Part C ($270,200,000), and Part E ($269,400,000) of Title IV of the Higher Education Act of 1965, as amended, $872,000,000 to remain available until June 30, 1974: *Provided*, that of the sums herein appropriated for Subparts 1 and 2 of Part A, not to exceed $122,100,000 (including $11,500,000 for administrative expenses) may be used for Subpart 1.

Mr. FLOOD. Mr. Speaker, as you know, I am not accustomed to offering amendments to appropriation bills. As a matter of fact, the last one I introduced was some time in 1948. This is a very unusual role for me to play, as you know, but we are faced with an unusual situation. There are occasions when we must disregard custom and disregard precedent in order to do what is right, and I believe that this is precisely just one of those occasions.

I am acting after the unanimous action of the Subcommittee for Labor, Health, Education and Welfare of the Committee on Appropriations late yesterday afternoon—the unanimous action.

This amendment provides funds for aid to college students for the academic year which begins next fall, and I should sit down and shut up because that speaks much more eloquently than I can.

The legislative authority for the student aid programs is contained in the Higher Education Act. The Members will recall that last June the Congress enacted the Education Amendments of 1972.

Among other things, these amendments—that is, the Education Amendments of 1972—modified and expanded the student aid programs authorized in the Higher Education Act. The authorizations for the existing student aid programs, which are the educational opportunity grants—as I am sure the Members know—the college work study, the national defense student loan program, and the guaranteed student loans—extended by that action of the Congress.

In addition, a completely new student aid program called basic opportunity grants was authorized—and you are going to become acquainted with that by the very esthetic name of BOG from now on.

Mr. Speaker, I will not take the time now to give the Members a description of these various programs, most of which the Members are acquainted with, but I want to Members to know that there is available a whole library of information right now, in our printed hearings on the second supplemental appropriation bill and elsewhere, so there will be no dearth of information, believe me. However, I should mention this: That the Education Amendments of 1972, while they did create the new basic opportunity grants program, they also provided that the existing educational opportunity grant, and the work-study and the national defense student loans must be funded at certain levels before a nickel can be spent on the new basic opportunity grants program. Keep that in mind. I understand that these provisions were the result of lengthy and very, very difficult negotiations in the conference committee. I think we all remember and know about that.

Now, the Education Amendments of 1972—that I have mentioned two or three times—became law on June 23, 1972.

Mr. Speaker, the President's budget proposals for funding the student aid program—and this is for the 1973–74 academic year—were nevertheless not sent to the Congress until January 29, 1973.

Our Labor-HEW Subcommittee held hearings on the proposals on March 1. Those hearings, I will tell you for the record, are printed on pages 544 to 787 of part 1 of the Appropriations Committee hearings on the second supplemental appropriation bill for 1973. These were extensive and very, very thorough hearings.

It was our intention to act on the student aid proposals in the general supplemental appropriation bill for fiscal year 1973. We had hoped, and indeed we were quite certain, that this would take place before the start of the Easter recess on the 19th of this month; but for various reasons, which I shall not go into, it became clear that it would not be possible to consider the general supplemental bill in the full Committee on Appropriations, until May 3.

As Chairman MAHON has already explained a few minutes ago, an emergency situation has arisen with respect to veterans readjustment benefits. The Members heard Mr. MAHON, and the other speakers, on that already.

The committee was apprised of this situation by the administration just a couple of days ago, so far as I know. The chairman has responded quite properly by asking the Committee on Appropriations and the House to take immediate action to rectify the problem. There was not time, and it certainly would not have been appropriate, to include a large number of other items in this joint resolution that is being brought up now by unanimous consent.

Nevertheless, Mr. Speaker, I believe it is important to include funds in this bill for student aid programs. We are all aware of the uncertainty which presently exists in colleges and universities throughout the Nation—the Members have heard about it and read about it; they have gotten telephone calls; they know—as to the amounts of Federal assistance which will be available for needy students for the coming academic year. It is of the utmost importance that we remove this uncertainty from these people who must know, the administrators at all levels of the academic world, the students themselves, and their families, at the earliest possible moment. I thought we were going to have it done—I repeat for purposes of emphasis—I thought we would have had this done by this time in a general supplemental bill, but the reasons that that did not take place had nothing to do with this committee or subcommittee.

Therefore, I repeat: Our Labor-HEW Subcommittee met yesterday afternoon, discussed the matter at length, and by unanimous action agreed upon this amendment, which I now offer.

By the way, this does not go a dime above the President's budget proposal—not a dime.

The amendment provides a total appropriation of $872 million for these four student assistance programs that I mentioned. Of this total—I want to break this down for the Members—$269.4 million is for the national defense student loans. There are $23.6 million already available, so that will be $293 million available for national defense student loans for the 1973–74 academic year. That is exactly the same amount as was appropriated for the 1972–73 academic year—no more; no less.

The amendment also provides $210,300,000 for educational opportunity grants. That is exactly the same amount as provided in the 1972–73 academic year—not a dime more.

It also provides $270,200,000 for college work study. That is exactly, again I repeat, the same as the amount provided for the present academic year, and $122,100,000 for the new basic opportunity grant program.

Our amendment provides the same total amount—$872 million—as the President has requested. The President's request would provide $622 million for the basic opportunity grant program and $250 million for the college work study program, and nothing for the other two student aid programs.

The budget request also proposed to set aside, through appropriation language which would clearly be subject to a point of order, the provision in the Education Amendments of 1972 which require that certain amounts be provided for the three existing continuing student aid programs before funds may be used for the new basic opportunity grant program.

We heard a great deal of testimony on this matter, and we came to the conclusion that the administration's proposal simply would not be acceptable to a majority of the Members of Congress. The language would of course be subject to a point of order. Our amendment therefore provides funds to continue all of the existing student aid programs, and to make a start on the new basic opportunity grant program. Believe me, the mechanics of starting up this new program are quite complicated, and it may very well be that it is already too late to put this into effect properly for the 1973–74 academic year. Should that be the case, the language of the amendment would permit any or all of the funds provided for basic opportunity grants to be used to increase the amount available for educational opportunity grants. So it is clearly the intent of the subcommittee and of this amendment that these funds should be so used, if it becomes apparent that the basic opportunity grant program cannot be implemented properly for the 1973–74 academic year.

Also, just so my friends will know and because of the administration's idea, I believe I can report to the Members that it is the definite intent of our subcommittee to recommend that the basic opportunity grants be funded at an appro-

priate level and at a proper level for the academic year 1974–75 in the fiscal year 1974 appropriation bill. Of course, the full Appropriations Committee has not yet had an opportunity to consider this matter, so I do not want to suggest that I am speaking for all of the members of the full committee.

Mr. Speaker, I have available for any Member who wishes to see it—and this is not a fancy chart and it can be read, it is a simple thing—a chart which will show the amounts provided in my amendment as compared with the budget request, and the amounts available for the current year.

Mr. Speaker, I ask unanimous consent to insert the chart in the RECORD at this point.

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

There was no objection.

(The chart follows:)

STUDENT ASSISTANCE PROGRAMS

COMPARISON OF AMOUNTS PROVIDED BY FLOOD AMENDMENT WITH BUDGET REQUEST AND AMOUNTS AVAILABLE IN THE CURRENT SCHOOL YEAR

[In thousands]

	1972–73 school year	1973–74 school year	
		Budget request	Flood amendment
Basic opportunity grants		$622,000	$122,100
Educational opportunity grants	$210,300		210,300
College work study	270,200	250,000	270,200
National defense student loans	293,000	[1] 23,600	[2] 293,000
Total	773,500	895,600	895,600
Total, excluding funds already available		(872,000)	(872,000)

[1] Appropriated in 1973 Supplemental Appropriation Act (P.L. 92–607).
[2] Includes $23,600,000 already appropriated. Amendment provides an additional amount of $269,400,000.

Mr. MICHEL. Mr. Speaker, I rise in support of the amendment. I am sure you have all been hearing from your colleges and universities as I have from mine. They are in a bad situation now because they do not know what Federal student assistance programs are going to be available to students this fall, and until they do, those kids who cannot pay for all their education themselves are left hanging.

A financial aid officer of one of the major universities in my State told my office yesterday that he has 3,000 applicants pending. Another said his institution's admissions operation is in a shambles.

These student assistance programs are usually forward funded, so the program levels are known a year in advance, but as you will remember, our schedule got disrupted by the higher education amendments last year, so here we are.

We had planned to fund student assistance in the omnibus 1973 supplemental that is pending right now, but it cannot come to the floor before the first of May, and then it still has to go to the Senate. The timing is so critical, so crucial to both students and institutions around the country, that I feel the unusual procedure we are using here today is absolutely necessary to give them some certainty as to what is to be available next fall.

One of the most immediate problems we had to deal with in bringing this package to the floor in this way was to decide what would be the most effective mix of programs that we could be sure would reach the largest number of students, but still provide awards large enough to be really meaningful.

One of my prime considerations was holding the line on spending, and we were able to agree in the subcommittee to stay within the President's budget figure because this is one of the budget items which was increased significantly over last year. A look at the figures is all you need to see that the student aid budget proposes a substantial expansion over what has been available.

The principal area of controversy, of course, was how that pie should be cut.

Now, I would like very much to support my President as best I can, but it is difficult when one does not have a simple majority of votes in this body to support his position.

We in the minority have not enjoyed for a number of years what you on the other side had with control of the Congress as well as the Presidency.

Of course, exercising the power of the veto is a somewhat equalizing factor, for with only one-third of the Members of either body a veto can be sustained.

And, whether we like it or not, we had all better keep that fact in mind, if we really want to move expeditiously and get this legislation enacted into law in time to help the students and institutions who need this assurance now.

If you look at our hearing record, it is clear that the administration would like to have no less than $500 million to start the basic opportunity grant program, but if we do this, the other three programs which have proved so popular—work study, supplemental grants, and national direct student loans—would obviously have to be reduced to keep within the budget.

I must confess that I did not exactly get a great deal of support from my colleagues in the subcommittee when I proposed this.

As a matter of fact, Mr. SMITH, of Iowa, proposed simply splitting the whole pie among the other three programs, with no money at all for BOG's.

I think each member of our subcommittee has a little different idea about what the ideal mix should be, about which programs should get the most emphasis, and they can all speak for themselves, and most certainly will.

I then countered with a proposal that would have funded the three old programs at the statutory minimum—the so-called threshold levels—and forward funding NDSL.

This would have left about $23.5 million for the BOG program. There was still opposition to this proposal, and my colleague, Mr. CONTE, submitted his proposal, which for all practical purposes is what we have before us today.

I would be the first to admit that with the BOG program, the fewer the dollars, the less effective the program can be, but in any case, since it will have to be at less than full funding for this fall no matter what we do—without busting the budget—it may be much better to start it off on a pilot basis and get the machinery going and the bugs worked out of it, so we can tell next year if it is going to work at all. It is simply too late in the season, now, to put all our eggs in the BOG basket.

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

Mr. MICHEL. I yield to the distinguished minority leader (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Speaker, let me say to the gentleman from Illinois that I subscribe to what he tried to do. I am disappointed, as he is, that he was unsuccessful.

Let me ask this question: With the $122 million that is available for BOG, is it possible for the Health, Education, and Welfare officials to focus in on a particular area or in a particular category of schools for educational institutions, rather than spreading the full $122 million on a nationwide basis?

Mr. MICHEL. I would stand corrected if other Members would dispute this, but I believe we had no testimony that would indicate the program could be implemented on any other basis than a countrywide program, because I believe it would be impossible to single out particular categories or areas. We would have a situation where certain institutions were favored, or certain students. I do not believe it is practical at all to do it on that basis, which of course gives rise then to a question, "Can it really be a viable program at something less than full funding?"

Obviously the administration says "yes" to that, because full funding for 1974 as proposed in the budget is something over $900 million.

The testimony will show that for fiscal year 1973 if $500 million could be available for BOG they can make it work. Secretary Weinberger, in a conversation with me last night, expressed the same disappointment that my leader expresses here on the floor, but I was simply communicating to him the facts of life. I believe they would prefer to have something rather than nothing. From my conversations with the folks in the Office of Education, I understand they would very much like to get this thing going, and they tell us they have the machinery in motion to get it going if we provide them the funds to do so.

Mr. GERALD R. FORD. Earlier in the gentleman's comments he indicated that $122 million would give HEW an opportunity to undertake a pilot program. Why can they not define a pilot program on a limited geographic basis or on a limited educational institution basis, so that at least in that kind of a pilot program they would have full funding? If we did it on a national basis for all educational institutions and all students we really could not give it a fair opportunity to work.

Mr. MICHEL. I should like to say that I share the gentleman's view, although, as I indicated earlier in my remarks, there is really nothing in the hearing

record that would give us any kind of assurance that it could work equitably and give us a good measurement by being tried on the basis the gentleman suggests.

It may be that with the passage of time some wiser mind than is here in the well will come up with a proposal, depending upon the final figure actually agreed upon, bearing in mind that this proposition has to go to the other body and we are not sure how they will treat this particular item.

Returning to the overall funding issue itself, I have personally kept an open mind on this subject and really do not have the strong feelings of preference for one program over another as expressed by my administration, some of my colleagues on the Education and Labor Committee and on our subcommittee.

If BOG's are funded at too low a level and the program falls on its face because of it, we may have problems funding it in the future—this is true. And, we will have to mark up the 1974 bill with the BOG proposal in it for the 1975 school year before we have any experience tables. But, I know Secretary Weinberger and the folks down at the Office of Education responsible for these programs feel that they are well enough along in planning to make it a viable program if they have the money to do so.

I personally cannot give you my guarantee that BOG will be a more desirable program, although it is designed to assist a much broader range of students than the other programs. Of course, when you spread it that far, it cuts down on the amount to each recipient—you do not have to be a magician to figure that out.

But, it was the Congress that did authorize this program, and I think we have an obligation to give it a chance. I somehow have the feeling that even if the folks downtown do not get everything they would like to have to put it in place, they would still like to have something to get it going. And this is what is proposed in this amendment.

The nub of the problem here, again, is the uncertainty the institutions and students are facing right now, in this month of April when graduating high school students are applying for college and when students already in higher education need to know what they can plan for the fall. This is the urgency, the necessity of dealing with student assistance funding right now—not a week, 2 weeks or a month from now .

I was happy to hear my chairman, Mr. FLOOD, make the point that we would get to the markup of the 1974 bill within a month or 6 weeks, conceivably. We will have to go over the same hurdles at that time. We would like to give some indication that there will be a continuation of the BOG program, hopefully at an increased funding level, to make it a more viable program.

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

Mr. Speaker, since my colleague, the gentleman from Illinois (Mr. MICHEL) mentioned my position on the bill, I thought I might at this point explain a couple of reasons why I take this position. I do fully support this amendment and strongly supported moving without further delay.

Reference was made to the BOG program, and we found in our hearings—and I hope the Members will read the hearings—that there are great, great deficiencies in this program that just must be worked out. Some of the changes needed are probably administrative, but it may be that changes in the law will also be needed.

For example, it works this way: a determination is made of the contribution the child is expected to receive from its parent. Automatically the computer deducts that amount from the amount the student will receive. Unlike the present program where financial aid is administered by financial aid officers who can adjust figures according to the situation. In the case of BOG, a computer makes the decision; there is no way to change it. The expected contribution is determined, for example, under a set of regulations, one of the considerations is "assets" of the parent.

"Assets" are described in the regulations that have been approved by the House Education and Labor Committee and not by the other body to include, for example, an equity in real estate, inventory in a small business, an equity in the home, but it does not include jewelry, automobile such things as antiques and other valuables of that nature.

So this kind of a situation results: A widow with five children and $20,000 equity in a house is expected to contribute almost the same amount as a couple who live in an apartment with all kinds of jewelry and automobiles and everything else, with a $10,000 income and two children. Therefore the children receive the same amount for student aid.

Now, obviously that is such an unfair situation that it just cannot be tolerated. The widow with the five children will never be able to make the $600 contribution, and, therefore, that child just will not have a fair opportunity under the program and when the money is absorbed for that kind of program, the widow's child probably will not be able to go to school at all.

We have a number of such examples. Some parents who could and should, may in fact, not provide the expected contribution. Some parents do not believe postsecondary education is necessary, or for some other reason will not help. No adjustment can be made. Veterans, we found, in some instances are going to be penalized under the BOG program, compared to nonveterans. That is under the regulations that have been adopted, and there is some question, but perhaps it may be required by the law. This is one reason the other body has not approved the schedule of family income expectations.

Mr. Speaker, in another instance, for example, if the parents separate, the child receives more benefits. It is another Government program where someone receives more benefits if parents separate. That is not only not fair, but should also be against public policy to encourage family separations.

There are so many things wrong with this program today that I think it would be a mistake to rely on it as the principal program for student aid program for the coming year. The administration wanted to put two-thirds of the student aid money into the new program and reduce other tried programs accordingly.

So what we have done here is to give the same amount this year as last year for the NDEA loans, work study, and opportunity grants. Then we recommend taking the $122.1 million left in the budget total and give them the authority to use it to try out the new BOG program. However, if they do not use it for that purpose, that $122.1 million can be used for the other programs.

I think they are going to fall on their face in trying to institute the new BOG program this year. It is even doubtful that the computer system can be adequately set up in time. We are saying to the Department, "Try out $122 million, but if you find out that you should not use this amount of money for the new program, then you can use it for other existing programs."

Mr. Speaker, it seems to me that the proposal in the amendment before the House is a sensible way to handle student aid appropriations at this late date, because they do need the money and it would be a mistake to rely upon the new BOG program primarily, when it so obviously has both deficiencies with respect to the law and with respect to the regulations that have been proposed.

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

Mr. Speaker, this bill is before us today on the basis of a unanimous-consent request, not by virtue of a rule, and many of us were informed at the time that request was made that it would be limited to two items: Veterans' benefits and the air carrier appropriation.

Now, we have this added to it.

This may be a meritorious amendment. I am pleased that the subcommittee held hearings in justification of the amendment that is now offered in behalf of higher education and to the tune of 800- and some-odd million dollars.

But the common garden variety Member of the House of Representatives has had no opportunity to profit by the hearings held by the subcommittee.

We are today confronted with this amendment which was admittedly voted out of the subcommittee only yesterday afternoon, and there was no previous indication that it was coming up today. I should like to have read the hearings to find out what the track record of these student loans may have been in at least the past year. I have been reading newspaper and magazine articles highly critical of the student loan program with respect to the repayments and defaults.

Mr. MICHEL. Will the gentleman yield?

Mr. GROSS. Yes. I am glad to yield to the gentleman.

Mr. MICHEL. As a matter of fact, in the national defense student loan we are going to have $150 million coming back into the college loan funds in the form of repayments, which, of course, suggests that there is a pretty good payment rec-

ord. We have asked some very probing questions of the witnesses with respect to the default rate on the guaranteed student loans. There have been some problems, but they now have surveillance teams out in the field that are doing a much closer job of overseeing this thing, and there are prospects for considerable changes.

Mr. GROSS. Let us get down to a few specifics. How much has been lost by way of defaults and over what period of time?

Mr. FLOOD. Will the gentleman yield?

Mr. GROSS. I will be glad to yield to the gentleman.

Mr. FLOOD. The gentleman will recall at one time he and I went into this business about 19-year-old bankrupts, I think it was, and we may well go into it again, when we take up the general supplemental appropriation bill for fiscal year 1973. But it so happens that this particular amendment does not include the type of loan on which we have the default problem. That's the guaranteed student loan program, for which funds for interest payments and defaults will be included in the next supplemental appropriation bill. As you know, you and I have talked about the default problem on these loans before.

Mr. GROSS. Do you mean this bill is not applicable to students; that no loans are being made to students out of this $800 million?

Mr. FLOOD. Not the guaranteed student loan program. The one you are complaining about and questioning the payments of is not in this specific amendment, but it will be in when the general supplemental bill is brought up. And when we bring it up it will be very properly raised and, in fact, I will raise it myself then.

Mr. GROSS. I hope, I will say to the distinguished chairman of the Committee on Appropriations, that in the future we can confine legislation of this type, brought up under unanimous consent, to the request made by the chairman on the floor of the House. At that time he specifically stated it would be confined to the two items in this bill. I am not going to be overly critical, and the gentleman need not make any comment on it.

Mr. MAHON. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. MAHON. It is true that the bill that was brought to the House today from the Committee on Appropriations just did have the two items in it .The other matter developed subsequently. I was not aware of the matter at that time.

Mr. GROSS. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I rise in wholehearted support of the amendment offered by my distinguished colleague from Pennsylvania. This is an amendment I offered in the Labor-HEW appropriations Subcommittee; the subcommittee adopted this amendment.

Following the presentation of the President's budget to the Congress in January, the status of Federal assistance to our college students have been up in the air. Students have been thrown into a quandry wondering where their financial aid would come from. Even worse, they wondered whether they would have any assistance at all. Financial aid administrators are frozen. Because of the questions as to what would be done and how it could be done, they are completely unable to move.

It is now April 12. The new school year starts in less than 6 months. Any other year, these financial aid administrators would already be well on their way to deciding how the federally supported student assistance would be allocated among their students. Very soon, high school seniors will be deciding which school they will be attending next fall, and part of that decision will be based on the financial assistance they might receive.

However, 1973 is a unique year. We have had two Labor-HEW appropriations bills vetoed. We are going to finish out the remainder of the fiscal year with the continuing resolution passed in February. Caught in the middle of this financial aid crisis are our college students.

It is painfully apparent that the time has come for action. This uncertainty cannot be allowed to continue. Every delay will only create more dislocation and hardship. That is why we of the Labor-HEW Appropriations Subcommittee offer this amendment today.

The amendment is designed to do three things. First, to alleviate the uncertainty that exists in the higher education community today. Second, to provide Federal student assistance which complies with the provisions of the Education Amendments of 1972. And, third, to give the basic opportunity grant program a chance to be put into operation and prove itself.

The Education Amendments of 1972 recognized the problems that the implementation of a wholly new and untried student assistance program would carry with it. How many bugs would have to be ironed out? Would the regulations promulgated to implement the program be workable?

How many unintended results would the program carry with it? Because of these and many other questions, Congress added section 411(b)(4) to the Higher Education Act.

Section 411(b)(4) provides that, before the basic opportunity grants can be funded, three other proven and effective students assistance programs would have to be funded at a minimum level. That section provides that the supplemental educational opportunity grants, more commonly known as EOG's, would have to be funded at $130,093,000, the work-study program would have to be funded at $237,400,000, and the national direct student loan fund would have to receive a capital contribution of $286,000,000.

The conferees on the Education Amendments of 1972 and the Congress as a whole put a great deal of thought into the decision to provide that these other programs must be funded before the basic opportunity grants. This was a very conscious decision based on the very real uncertainty as to what the unknown and unforeseen effects of the new program might be. This wisdom is not something to be tossed aside lightly.

Under the amendment offered by my colleague from Pennsylvania, we do give the basic opportunity grants a chance to prove themselves. We are providing $122,100,000 for this program. Granted, this is not full funding.

Granted, also, this is only about one-sixth of what the administration proposed for the program. However, it does provide the opportunity to operate the program at a workable level. It provides the opportunity to see what the problems with the basic opportunity grants might be. Most importantly, it provides funding for the programs we know will work. They have proven themselves in the past.

While I do believe that the basic opportunity grants hold a great deal of promise, it is also apparent that the financial assistance scheme proposed by the President would create many problems for many, many students, especially those from middle-income families. Let me give you some examples of what I have learned from the colleges and universities in Massachusetts.

The University of Massachusetts estimates that, under the President's proposal, students will lose $3 million in assistance. UMass also estimates that the average student grant will be cut from $946 under the present grant system to an estimated $702 under BOG's. The average cut for each student would be $244.

Springfield College, a private institution, estimates that approximately 40 to 50 percent of the students presently receiving assistance would not receive any assistance under the BOG program. Further, 540 of the students would lose an average of $200 to $400 in Federal assistance under the BOG's.

Because the administration has proposed no new capital contributions to the national direct student loan fund, Mount Holyoke College estimates that it would have to contribute between $65,000, and $70,000 of its own funds in the 1973–74 academic year in order to continue to provide a reasonable level of loans to its students, and this takes into account the funds available for reloaning as a result of the repayment of prior loans. Mount Holyoke does not have the money to do this.

Because Newton College entered the national direct student loan program relatively late, they would have only a few hundred dollars from the repayment of prior loans to use as a loan fund for their students in the next academic year.

The Massachusetts Institute of Technology admits that the scientific and technological education they provide for their students is very costly. MIT's president estimates that the MIT students will lose about $800,000 in assistance if the administrations proposal were to be adopted by the Congress. Further, he states that this figure will be larger if the more restrictive family contribution schedules proposed by the Office of Education are adopted. As things now stand, it appears these schedules will be approved because of the even further delay disapproval would bring.

Stonehill College estimates that the BOG's will only help about half of the

students who are presently receiving assistance and that these students would only receive about 50 percent of the amounts they are presently receiving.

Boston College has made extensive calculations to try to determine the impact of the withdrawal of the EOG's in favor of the BOG's. Their figures show that fully 55 percent of the students now receive assistance will not be eligible for BOG's.

Greenfield Community College wrote to say that their analysis showed that the student from the middle income family would suffer since they will no longer be able to obtain the EOG's and the assistance under the BOG's would amount to little more than a minimal amount. And this analysis is from a school where a resident student pays only about $1,800 per year for tuition, room, and board.

These are just some of scores of examples I have received from schools all over the country. They are coming from public and private institutions. They all strongly believe the Congress must act to support the established student assistance programs. That is what the amendment we propose today is designed to do.

When speaking of the loan programs, proponents of the administration's proposal often argue that there is authority for substantially increased guaranteed loans thorugh commercial lending institutions. This authority does exist. However, the crux of the problem is the question of whether the banks will be willing to make the loans in sufficient numbers and amounts to make up for what is being lost. The situation is analagous to the criticism directed to the Congress at times by those who point out the differences between authorizations and appropriations.

All the indications I have received show that banks are unwilling to make the loans. Yes, some guaranteed loans are being made to students. However, the difference between the demand and the supply is large. As interest rates continue to climb as they are doing now, that difference will only increase. The banks are losing money on these loans. One of the largest savings banks in a major northeastern metropolitan area informed me that they are losing 2.02 percent on the guaranteed higher education loans they are making. The loans they do make are part of what they consider their pro bono effort in the community. The withdrawal of the capital support for national direct student loans will only aggravate the problems of the student who is trying to obtain assistance for his education.

These are students who are willing to take the responsibility of borrowing and are not asking for a handout. They are asking for a handup.

The amendment we are proposing calls for the expenditure of $895,600,000. Of this, $122,100,000 will go to the basic opportunity grants to give them an opportunity to prove themselves, $210,300,000 will go to the educational opportunity grants, $270,200,000 will go to the work-study program, and $293,000,000 will go to capital contributions to the national direct student loan fund.

The $895,600,000 appropriations we propose is not irresponsible. It is not a budget busting amendment either. I think that this point has to be very clear to all of those present. The amount we are proposing is precisely the same amount the President requested for student assistance in his budget.

What we have done is reorder the priorities. We have done this because we firmly believe that the budget proposals do not meet the needs and problems of students needing assistance. We are proposing an alternative which is a workable one, an alternative which meets the needs of the students of this country for assistance, an alternative which complies with the requirements of the Education Amendments of 1972, and an alternative which gives the basic opportunity grants a chance to prove themselves and gives the Congress a chance to evaluate the operation of the BOG's.

Earlier, I referred to the delays being created by the uncertainty in the financial aid picture. There is a much more important matter of delay to consider as well. The implementation of the Basic Opportunity Grants is running between 3 and 5 months behind schedule. Here we have a new, untried program which is running very far behind. There are also substantial questions about the wisdom of reliance on the BOG's. There is just too much risk of chaos and catastrophe. BOG's are meant to be supplemental, not fundamental student assistance.

I believe that we must adopt this amendment. This is a rational approach to meeting the needs of students for financial assistance. And, finally, this amendment will clear the air of all the uncertainty and confusion that surrounds the whole question of financial assistance to our college students.

I urge all of my colleagues to vote for the amendment presently under consideration. I include the following:

TUFTS UNIVERSITY,
Medford, Mass., April 2, 1973.

The Honorable SILVIO O. CONTE,
Congress of the United States,
House of Representatives,
Washington, D.C.

MY DEAR MR. CONTE: Thank you for informing me of recent developments in the Appropriations Subcommittee as they concern post-secondary education. Tufts is very much aware of your strong support of education programs and your efforts to provide adequate funds for them. We are glad to learn that you will continue to advocate a strong federal commitment to post-secondary education. We would urge, however, your particular attention to the adequate funding of the present, campus-based programs of student financial aid.

If the Administration's request is approved, and the traditional student-aid programs are not forward-funded in adequate amounts, as provided in the Higher Education Amendments of 1972, Tufts will lose almost $1 million in EOG and NDSL funds that were received in these federal aid categories this year. Yet, in early April, Tufts is expected to make scholarship and loan commitments to entering students, both freshmen and graduate, for next September. In the past, we have learned to live with late appropriations and allocations, but it was expected that reasonable sums would eventually be received and thus transmitted to students. This year, the higher education community faces the uncertainty of any funding at all in those programs which have done so much to help lower- and middle-income families meet the chilling costs of college.

You should be aware that in this dilemma, many post-secondary institutions have chosen to make awards to students with the proviso that any federal funds tentatively awarded are subject to the receipt of sufficient allocations from the federal government. Our procedure has been to indicate the uncertainty of these amounts with the award, and to inform the student that if federal appropriations are insufficient, it will be necessary to try for a federally insured loan through a bank or credit union in an amount up to $2500 a year.

It would seem highly unlikely that the BOG program will have much impact on student financing for the coming year. First, it is far behind the time schedule necessary to determine awards and notify students of the amounts they will receive so that they may make college choices. Second, the restrictive nature of the recommended need analysis system (really a money-rationing system rather than an attempt to determine a reasonable parental contribution) does not as yet have its schedules or procedures approved by Congress. Several institutional studies indicate that the most needy students who are now receiving EOG's of $1000 are the most likely to receive much less under the BOG schedules, since family contribution (including Social Security benefits), rather than parental contribution, determines the amount to be deducted from the $1400.

We would recommend gradual introduction of a BOG program, with adequate funding of the three present programs for the coming year provided by the FY '73 supplemental appropriation. We would then hope that the FY '74 appropriation would provide funds well in advance for a BOG program that is already in place, as well as for the traditional programs that have worked so well. As you well know, Congressional intent was clearly to provide a floor of aid which all needy students would receive, and then supplement Basic Grants with the three programs. We oppose the attempt to do away with Supplementary EOG and especially with National Direct Loans. The later are vital to low-income undergraduates, and are practically the only source of federal aid remaining to graduate students through the higher institutions.

Such an approach would seem more advisable than a sudden change to the limited amounts provided by an as yet undeveloped BOG award or delivery system. College Work-Study, which will be diluted by the addition of parttime and proprietary school students, will not provide the additional funds when tuition payments are due in September and February. Nor can large numbers of additional borrowers count upon federally insured bank loans when the banking community has by no means given assurances that it can or will provide even a substantial part of the additional money needed to make up for the loss of the National Direct Loan Program.

Last summer, we saw another dramatic example of the chaos which can occur when a large, popular, on-going federal student-aid program is changed suddenly. The Guarranteed Loan Program was brought to a virtual standstill last July due to the reversal of policy and the restrictive nature of the new regulations developed by the Office of Education. It was then necessary for Congress to pass legislation hurriedly in order to allow students to obtain loans for September under the former regulations and postponing the changeover until March 1973. Now, the GILP program appears to be beginning smoothly with less restrictive regulations and far more preparation and forethought. Per-

haps you also recall the uproar when it was planned to cut back College Work-Study several summers ago. When students did not receive summer jobs in June, their distress was heard in Congress and a new appropriation was quickly passed. Also, when President Johnson attempted to drop the National Defense Loan Program in 1965, everyone who was then in Washington, or in the higher institutions, recalls the widespread protests which resulted in Congress wisely deciding to continue the program. If the transition to support for post-secondary education authorized in the Higher Education Amendments of 1972 is not made gradually and with adequate funding for the present programs upon which students and colleges depend, then an even greater protest is most likely to ensue.

For these reasons, we would urge you to support forward funding through the fiscal 1973 supplementary appropriation for each of the campus-based programs in at least the minimum amounts stated in the Higher Education Amendments of 1972. We would hope that you would support funding of each of these programs at an even higher level than the minimum, since institutional requests for 1973–74 (as approved by Office of Education panels) total almost 1.5 billion dollars. The students are in the colleges, or applying to them, and need the money. We think that the present programs do need to be continued, and start-up funds provided for the BOG program, in order to have orderly transition and avoid hurting students and families needlessly.

Our financial aid director has estimated that each present recipient of federal aid on our campus will lose from $1,000 to $2,500 a year if the Administration request is approved. The estimate is based upon $1,000 EOG, $700 average National Direct Loan, and $800 Work-Study earnings during the summer and school year. Since a residential budget at Tufts next year will be $4,800 for room, board, tuition, and fees, you can see how important the federal aid is to our students in addition to scholarships from our own funds which, for the low- and middle-income student would average approximately $2,000 a year. With the help of federal support, we have been able to raise the number of minorities on this campus from 6% in 1969 to 11% this year. The average combination scholarship, loan and job for a minority student is $3,200 this year. Tufts serves as an example that if students, particularly those from low- and middle-income families, are to have the opportunity to select private, as well as public higher education, then substantial federal support of the traditional programs, as well as the new ones, must be provided.

On the chance that it has not come to your attention, I enclose the position paper of the National Association of Student Financial Aid Administrators regarding the FY 1973 and FY 1974 budgets. You may also be interested in the Profile of Financial Aid received by our undergraduates, since it indicates how we are integrating federal, state, and private aid funds to assist a third of our students to meet the overwhelming costs of a college year. On the second page of the Profile, you will find the data quoted on the growth of our minority student population and the aid that they are receiving.

Thank you very much indeed for this opportunity to express the views of this university on educational appropriations and student-aid programs for the coming year. Their funding and continuance are of vital concern, especially to Massachusetts students who are about one-third of our enrollment.

Sincerely,

BURTON C. HALLOWELL.

Enclosure.

TUFTS UNIVERSITY—PROFILE OF UNDERGRADUATE FINANCIAL AID 1972–73

	1952	1962	1967	1970	1972	Percent increase since 1952
1. College costs 1952–72: Tufts and Jackson:						
Tuition, fees	$650	$1,500	$1,900	$2,700	$3,080	374
Room and board	650	900	1,110	1,270	1,470	126
Books, personal expenses	250	400	500	630	650	160
Total	1,550	2,800	3,510	4,600	5,200	236
	Number of awards	Percent of enrollment		Amount	Average	Range
2. Undergraduate financial aid, 1972–73: Source:						
University scholarships	910	26		$1,713,238	$1,726	$100–$4,850
Other major scholastic	411	12		371,595	904	300– 4,200
Guaranteed employment	294	8		183,500	624	300– 1,700
Long-term loans	668	19		489,625	733	200– 2,800
Total aid	[1] 2,283	[1] 32		2,757,958	2,456	100– 6,250
3. Financial aid to freshmen, 1972–73 (included above):						
University scholarships	210	22		421,732	2,008	500– 4,400
Other major scholastic	119	12		99,755	835	300– 3,100
Long-term loans	196	20		163,300	833	200– 2,000
Total	[2] 525	[2] 28		684,787	2,546	200– 5,400
	Below $6,000 (percent)	$6,001 to $10,000 (percent)	$10,001 to $14,000 (percent)	$14,001 to $18,000 (percent)	Above $18,000 (percent)	Median income
4. Family incomes of loan and scholarship recipients:						
1962	33	47	16	4	0	$7,172
1967	18	44	31	6	1	9,820
1970	17	24	29	20	10	11,241
1972	17	20	23	21	19	12,340
	$200 to $999 (percent)	$1,000 to $1,999 (percent)	$2,000 to $2,999 (percent)	$3,000 to $3,999 (percent)	$4,000 to $4,999 (percent)	$5,000 up (percent)
5. Range of total awards to individuals: Percent of all aid recipients):[3]						
1967	20	48	30	2	0	0
1970	7	27	37	22	7	0
1972	8	20	30	26	14	2
	Tufts (men) (percent)				Jackson (women) (percent)			
	Upperclass		Freshmen		Upperclass		Freshmen	
	1967	1972	1967	1972	1967	1972	1967	1971
6. Net summer savings of aid recipients: (After tax and summer expenses):								
Amount saved toward college expenses:								
$0 to $399	15	24	39	33	28	39	50	61
$400 to $599	28	20	36	31	45	24	46	23
$600 to $1,400	57	56	25	36	27	37	4	16

[1] 1,123 students (32 percent of 3,550 undergraduates) received 2,283 awards (average $2,456). In 1970, 1,094 (33 percent of 3,275 undergraduates) received 2,206 awards (average $2,200). In 1967, 996 (34 percent of 2,900 undergraduates) received 1,730 awards of $1,580,200 (average $1,587).

[2] 269 students (28 percent of 965 freshmen) received 525 awards (average award $2,546). In 1970, 304 freshmen (31 percent of 965) had 568 awards of $694,400 (average $2,284). In 1967, 222 freshmen (29 percent of 785) had 382 awards of $404,425 (average $1,882).

[3] 42 percent of recipients received tuition ($3,000) or more in 1972 (1970—37 percent; 1967—35 percent; 1962—26 percent).

TUFTS UNIVERSITY

PROFILE OF UNDERGRADUATE AID FOR SELECTED YEARS, 1962–72

	1962	1964	Percent [1]	1966	Percent [1]	1968	Percent [1]	1970	Percent [1]	1972	Percent [1]	Percent change 1962–72
Tuition	$1,500	$1,700	+13	$1,900	+11	$2,300	+21	$2,700	+17	$3,050	+13	+103
Total cost	$2,800	$3,000	+7	$3,400	+12	$4,000	+18	$4,600	+15	$5,200	+13	+86
Median award	$1,125	$1,334	+19	$1,551	+16	$1,881	+21	$2,432	+29	$2,534	+4	+125
Average award	$1,113	$1,292	+16	$1,464	+13	$1,907	+30	$2,200	+15	$2,456	+12	+121
Total aid received	$801,625	$1,123,025	+40	$1,404,800	+25	$1,990,182	+42	$2,405,415	+21	$2,757,958	+15	+244
Undergraduate enrollment	2,350	2,750	+17	2,900	+6	3,000	+3	3,275	+9	3,550	+8	+51
Students aided	720	869	+21	959	+10	1,044	+9	1,094	+5	1,123	+3	+56
Percent enrollment aided	31	32	+1	33	+1	34	+1	33	−1	32	−1	+1
Median family income	$7,172	$7,913	+10	$8,333	+5	$10,116	+21	$11,241	+11	$12,340	+10	+72

[1] + percent of change from previous column.

AID TO MINORITY STUDENTS

	1969	Percent	1970	Percent	1972	Percent	Percent change 1969–72	
Total minorities (percent of undergraduates)	173	6	267	8	394	11	+128	(+5)
Number minorities aided (percent of all students aided)	122	11	201	18	275	28	+125	(+17)
Minority aid through Tufts (percent of total aid)	$376,550	21	$610,950	30	$904,336	39	+140	(+18)
Average minority aid	$3,086		$3,040		$3,288		+7	
Average nonminority aid	$1,676		$1,822		$2,064		+23	
Number of minorities:								
Afro-American (percent aided)	139	75	199	80	280	76	+101	(+1)
Native American (percent aided)	0		1	100	1	100	+100	(+100)
Spanish American (percent aided)	8	63	19	74	39	67	+388	(+4)
Oriental American (percent aided)	26	50	48	56	74	61	+185	(+11)

Note. Total aid includes Tufts and Federal scholarships, loans, guaranteed employment; also major ($300 or over) outside scholarships (State. ROTC, Merit, corporation, foundation, local). Omitted are bank or credit union loans, and off campus employment.

MOUNT HOLYOKE COLLEGE,
South Hadley, Mass., April 4, 1973.

Hon. SILVIO O. CONTE,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR SILVIO: Thank you so very much for your informative letter of March 16 concerning recent developments in the Appropriations Subcommittee on Labor-HEW.

I am in general pretty closely informed about the situation, since I am serving this year as Vice Chairman of the American Council on Education and also am continuing my membership on their Commission on Federal Relations. Nevertheless, I am particularly grateful for the detail of your report on the situation, since it does indeed seriously affect us.

Although I am confident of the devastating consequences if the worst should happen, one feature of the threat is not only the elimination of the programs contemplated by the Education Amendments of 1972 but also the increased eligibility in connection with these programs, since they are now available to all post-secondary education and are not restricted to higher education. This factor plus other uncertainties make it difficult to estimate precisely what the consequences would be for us, but I shall give you an estimate and would be glad if it would be important to you to try to make the matter more precise.

First, should there be no new capital contributions to NDSL funds, I estimate that it would be necessary for us to dip into our own funds functioning as endowment to the extent of between $65,000 and $70,000 in 1973–74 in order to maintain at a reasonable level the loaning rate that we have been able to establish with the help of NDSL funds. This figure is a net figure after taking account of the available capital for re-loaning as a result of the repayments of loans. Incidentally, in the matter of loans, it may interest you to know that we have had virtually no defaults on our loans, whether from our own funds or from NDSL funds. At last report, the only cases that could be so classified were one or two that involved either the death of the borrower or a personal disaster that could not be anticipated.

Secondly, and here I can be a little less precise, the BOG program, almost however it is funded, will be of relatively limited help to us. Much of this estimate, of course, depends upon the guidelines that are finally approved for the program, but the limit is so low and the technicalities surrounding the processing of these grants are likely to be so great that only a very small number of our students are likely to get anything like the $1,400 that is the maximum under the program.

Third, this means, of course, that the SEOG's would be of critical importance to us as was their former EOG program. This has permitted us to assist a significant number of very low income students as well as a significant number of middle income students who along with their families are the ones who are most seriously threatened by the present budgetary proposal. My estimate is that, if there is no adequate funding of the SEOG's in 1973–74, our short fall on our financial aid budget will be in the neighborhood of $40,000.

Neither the closing down of the loan program nor the elimination of the SEOG's represents for us a huge sum in a total budget of somewhere in the neighborhood of $10,000,000. For a year we can dip into reserves in order to meet our obligations if we have to. Nevertheless, this prospect will compel us to re-examine our whole loan and grant policy, which can only have the effect of seriously restricting the efforts we have made to make a Mount Holyoke education available to as many low and middle income students as we could find the means to support. Like most private institutions in our kind of situation, we have in recent years, through our own and government efforts, produced a program that provides on this campus probably a wider income distribution among our students than one would find at any residential state university. This is a fact that is not widely known. It is the threat to this accomplishment that worries me even more than the immediate financial situation, since I think not only this College but the country have benefited from this kind of strong policy of making educational opportunities broadly available.

It is for reasons such as the above that I strongly supported the counterproposals of the American Council on Education when they were developed earlier in the year. I know that you are familiar with those proposals, and they seem to me to be very reasonable suggestions, ones that sensibly take account of the appropriate objective of holding down the size of the federal deficit and at the same time not having a devastating consequence on the educational opportunities of able young people. In this connection I am enormously grateful to you for your concern and your commitment, as I know everyone is who is following this difficult matter.

Again my warm thanks and do let me know if it would be helpful for me to give you any more specific detail on the effects on Mount Holyoke of the budget proposals.

Sincerely yours,

DAVID B. TRUMAN.

HAMPSHIRE COLLEGE,
Amherst, Mass., April 4, 1973.

Congressman SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

DEAR SILVIO: The delay in my responding to your letter of March 16 regarding recent developments in the Appropriations Subcommittee on Labor-HEW which affect federal funding for post-secondary student assistance programs was occasioned by my having, once again, a thorough review with the persons who run our financial aid office so I can be up to date on the implications of the alternative moves the Congress and the President might make.

Here are the implications as we see them:

1. *Direct Student Loan Program—*

Hampshire is only three years old and has not begun to receive payments for previously awarded National Defense Student Loans and direct student loans. Therefore, our financial aid program is highly dependent on federal contributions toward our direct student loan fund. If allocations to this program were cut, we would not have available loan funds to continue low interest gov-

ernment loans to students who have received them for the past two or three years. These students would be forced to obtain the loan portion of their financial aid package from local banks and, as a result, would have two separate types of loans to repay, increasing their monthly repayments.

2. *Educational Opportunity Grant Program*—

Hampshire relies heavily on the Educational Opportunity Grant Program to supplement the limited grant funds available for high need students. Termination of this Program would result in the loss of federal grants for many of our minority/poverty students whose only resources for education are social security and veterans' benefits. Under current Basic Opportunity Grant regulations, all social security and one half of veterans' benefits would be assumed to be family contributions subtracted from the maximum $1,400 eligibility. This would cause many of these students to lose their federal grant. Further, as there is no indication of what demands will be placed on the BOG Programs, there is no guarantee that our high need students will receive the same level support as they received under the EOG Program. The result would be that Hampshire would have to allocate more of its own limited grant funds to our minority/poverty students and, as a consequence, curtail our efforts to diversify our population by enlarging the representation of such students on the campus.

In general, Hampshire is a relatively expensive institution which is operating without any financial aid endowment. We need more, rather than less, financial aid from the government in order to continue to meet our obligations to minority and poverty students and to middle income students.

I hope this gives you some sense, in specific terms, of the dollar consequences for this college should the existing programs not be funded and all emphasis go to Basic Opportunity Grants.

Many thanks for your attention to one of the most critical problems that higher education has faced in years.

Sincerely,

CHARLES R. LONGSWORTH.

NORTHAMPTON JUNIOR COLLEGE,
March 23, 1973.

Hon. SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

MY DEAR MR. CONTE: Thank you for your letter of March 16, 1973, outlining the present status of Student Financial Aid. As a small, private institution, Northhampton Junior College is very concerned about these programs, and is very appreciative of the work you are doing. Our present and projected funding is as follows:

	Amount	Students
Fiscal year 1973:		
College work study	$4,266	32
National defense student loan	7,446	12
Educational opportunity grant	7,375	17
Basic opportunity grant		
Fiscal year 1974:		
College work study	45,600	95
National defense student loan	36,960	60
Educational opportunity grant	60,000	60
Basic opportunity grant	70,500	90

The FY 74 figures listed above are from our Institutional Request for Funds, which was approved by the panel on December 13, 1972, except for the Basic Opportunity Grant, none of which has as yet been approved. These figures also indicate that more and more eligible students are requesting financial aid.

As you can see, without these funds most of the financially deserving students applying to the College will be unable to further their education. This will not only affect them, but will drastically hurt the College through a reduction in the size of the student body.

We urge you, therefore, to continue in your efforts to retain funding in all three of the present programs, as well as in the Basic Opportunity Grant program.

Sincerely,

WILLIAM C. MCKIE, Jr.,
Financial Aid Officer.

CAMBRIDGE, MASS., *April 4, 1973.*

Hon. SILVIO O. CONTE,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CONTE: I am grateful to you for your letter of March 20 regarding federal funding for postsecondary student assistance programs.

As an institution involved in the education of both undergraduate and graduate students, numbering about four thousand of each, M.I.T. must take a sharply critical view of the implications of the proposals for student financial aid in the President's FY '74 budget requests.

As you well understand, we are deeply committed to education and research in a broad variety of fields, but especially in science and technology. Such education is terribly expensive and it must not be offered to the student only at prohibitive cost. Many federal programs such as NIH, NSF, NASA, AEC, NDEA, and others less well known, have helped us to sustain the costly research, teaching and learning programs which are our hallmark. It is therefore deeply disturbing to us that these programs are being phased out on the assumption that such research and learning is no longer a high priority national need.

Since 1969, about four-hundred and fifty federal fellowships have vanished. In prospect is a further shrinkage of nearly two-hundred more. It is not too much to say that the future of basic and much of high-technological research is in clear, present, and increasing danger—not just at M.I.T. but all over the country.

But your immediate concern, as expressed in your letter, is with the essentially undergraduate aid programs of grants, loans, and work-study. We too are troubled that the FY '74 budget proposals, in trying to help the absolutely destitute, will dismember other programs which are crucial to the real needs of the large and important group of "merely poor" students. Without SEOG grants, and NDSL loans, they will be forced out of all but the least expensive education. It goes without saying that the BEOG program, even fully funded, will sustain little more than vocational education in the educational area we serve. Students, not just at M.I.T. but all over the country, will be hurt.

Without the SEOG's and the annual additions of NDSL capital, even fully funded (a slippery concept in view of the fact that so little is known about the numbers of potentially eligible students) BEOG's will mean an overall drop in undergraduate aid funds at M.I.T. of about $800,000, and even more if the very harsh family contribution schedules proposed by the U. S. Office of Education are adopted.

It would be irresponsible of us to leave undisturbed any illusion that M.I.T. can easily replace such sums. As many as one-thousand of our students, 25% of the undergraduate body, almost half of our aid population, will find it a great deal more difficult to locate substitute funding, if M.I.T. cannot. Many recipients of full BEO Grants, who should also have SEOG's and NDSL loans, will be forced to seek $2,500 per year Guaranteed Loans at banks, and many banks are indicating little interest in such large loans.

We keenly appreciate your efforts on behalf of students, and we must urge you in the strongest terms to hold firm against the unwise and misleading course inherent in the FY '74 budget proposals. Your support for the three college-based programs (SEOG, NDSL, and CWSP) is encouraging, and while both you and I, I am sure, agree there is much potential good in the BEOG program, it should not be implemented at the expense of older and very necessary programs.

Sincerely yours,

JEROME B. WIESNER,
President.

BENTLEY COLLEGE,
Waltham, Mass., March 28, 1973.

Hon. SILVIO O. CONTE,
Member of Congress,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN CONTE: Thank you for your letter of March 20, 1973, regarding recent developments in the Appropriations Subcommittee on Labor-HEW. This information is most helpful to us.

If the Nixon Administration does not fund (SEOG) Supplemental Educational Opportunity Grants, and (NDSL) National Direct Student Loans, Bentley College would be affected as follows:

1. SEOG: We have approximately 100 students receiving assistance through the EOG program at Bentley College. Cancellation of this program would mean a loss of Federal Funds of approximately $81,500.

2. NDSL: We have approximately 220 students receiving assistance through the NDSL program at Bentley College. Cancellation of this program would mean a Federal Contribution loss of approximately $85,000.

3. CWSP: (College Work-Study Program). Even though the Administration has requested funding for the College Work-Study Program at $250,000,000, they failed to mention the fact that there are a number of new institutions coming into the program for the first time this year. What this could mean is that even though the Administration is claiming that there will be more Work-Study funds available than last year, we could actually receive less than we did last year.

4. BOG: The Basic Opportunity Program, if not fully funded, and if substituted for the NDSL–EOG programs, would not even meet half the needs of the people presently receiving assistance under the EOG program.

If the present Federal Programs are terminated, there is no doubt that not only will our students suffer, but so will the College.

I hope this information will be helpful to you as a member of the Subcommittee when these measures are presented for consideration. If I can be of any further help, please let me know.

Sincerely,

DR. GREGORY H. ADAMIAN,
President.

SPRINGFIELD COLLEGE,
Springfield, Mass., March 22, 1973.

Hon. SILVIO O. CONTE,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE CONTE: Thank you for your informative and welcome letter of March 20. I am pleased to have your report and will share it with my colleagues.

A letter from me to you crossed in the mail with your own, but I think it will provide for you the response requested in your final paragraph.

Private education is a major industry in Massachusetts. It truly is threatened by the seemingly limitless expansion of state institutions. If we are to survive we must have help at the federal and state levels. If we fail to survive (and a dozen private colleges went bankrupt last year) the burden upon the taxpayers will increase immensely. It

cost the taxpayers of the Commonwealth $1,854 per student to educate each student in the public colleges and universities last year. It cost these same taxpayers virtually nothing to educate the thousands of Massachusetts residents who were enrolled as students here and in the other private colleges and universities.

I am grateful for your help. Let me know if there is anything I can do to help you in your cause.

Sincerely,

WILBERT E. LOCKLIN.

SPRINGFIELD COLLEGE,
Springfield, Mass., March 20, 1973.

Hon. SILVIO O. CONTE,
U.S. Representative, House Subcommittee on HEW Appropriations, Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE CONTE: As you know, the critical days with regard to appropriations for Federal student aid are before us. This letter is an attempt to give you an awareness of the crushing blow that will be experienced not only by Springfield College but by the education community in general if the Nixon Administration budget request is approved as it has been submitted.

Recently, the regional review panel for H.E.W. Region I, under the direction of Dr. Eino Johnson, approved our request for Federal student aid funds in the following categories and the corresponding amounts.

PROGRAM

Educational opportunity grant program, approved level of funding, $123,820.

College work study program, approved level of funding, $57,600.

National direct student loan program, approved level of funding, $201,600.

These dollars represent approximately 540 young men and women who are scheduled to enroll here next fall term. The panel's decision to fund Springfield at this level recognized the fact that the needs of these students were both realistic and legitimate.

The Administration budget request asks for no new funds in either the National Direct Student Loan Program or the Educational Opportunity Grant Program. The College Work Study Program is included but only at the same level of funding as in fiscal year 1973. It is significant to note that beginning with fiscal year 1974 proprietary institutions will be eligible to receive benefits under the College Work Study Program. While this fact should not perhaps be criticized, it does mean that institutions currently benefiting from this program will be severely handicapped unless a higher level of funding is approved.

The Administration budget is insensitive because it does not recognize the needs of those students who are currently benefiting from these programs. The new budget seems contrary to both the 'spirit' and the 'letter' of the bill entitled the "Education Amendments of 1972" which was passed by Congress and signed by President Nixon last June. This bill categorically states that for the "Education Amendments of 1972" to be implemented, the three existing Federal student aid programs must be funded at 80 percent of the current (fiscal year '73) level. The Administration budget clearly does not do this. It is an obvious attempt to divert current funds to a new Federal program entitled the "Basic Educational Opportunity Grant Program" (BEOG).

Permit me to move directly to the topic of the BEOG program and express some of my concerns relating to it.

In an effort to implement the BEOG program, a task force was appointed to create a formula which would enable a contractor (presently unknown) to arrive at a figure which will represent what a family can reasonably contribute towards the educational costs of a student wishing to attend college. Rather than attempt a description of the formula, I have enclosed a copy of the February 2, 1973 Federal Register which contains it in its entirety. I have also enclosed a copy of a letter and statement by J. Samuel Jones, who is Director of Financial Aid at Massachusetts Institute of Technology. Mr. Jones has stated the case as clearly as anyone can and I offer his comments to you for your consideration. I might add that the position taken by Mr. Jones carries the full endorsement of the Eastern Association of Financial Aid Administrators.

What the proposed BEOG schedule means to Springfield College is as follows. If the BEOG program were to be fully funded, approximately 40 to 50 per cent of our students who are currently receiving Federal student aid would not be eligible to benefit from it. Present indications are that the program will not be fully funded. If BEOG were to be 50 per cent funded (more likely), the remaining 50 to 60 per cent of students formerly eligible would probably receive a maximum grant of $200 to $400. What then are these students who have been benefiting from former Federal student aid programs to do? They will still have a very real need, yet we will certainly be limited in what we can do to assist them.

It is very clear that the ramifications of the proposed budget and BEOG formula are most serious. Our students—540 of them—are subject to losing between $200 and $400 in Federal assistance. They are also faced with an unrealistic BEOG contribution schedule which excludes most of them from receiving the consideration they were formerly given under the EOG program.

Regretfully, it is not possible for Springfield College to make up the difference. During the academic year 1972–73 we will expend roughly $600,000 of our own resources for student aid. This figure for a college our size (2200 students) is one of which we feel proud. If, however, private education is to remain a viable means through which American youth can prepare themselves to become contributing citizens then we must rely on government assistance. Very simply, we need your help.

I urge you to do all in your power to support the spirit and law of the "Education Amendments of 1972" by defeating the proposed Administration budget and the proposed BEOG "Schedule of Family Contribution".

If we can assist you in any way with further background information or more specific facts, please call on us. We are eager to insure that the needs of our students are protected.

Sincerely,

WILBERT E. LOCKLIN, *President.*

SALEM STATE COLLEGE, FINANCIAL AID OFFICE

Basic Opportunity Grant Program authorized by the Education Amendments of 1972 has been endorsed by the Administration and proposed funding for FY74 would be $622 million. The maximum award has been set at $1,400 or one-half of the educational costs, whichever is less.

There is a basic set of questions which concern me. Will these grants be able to be delivered to students who need them (operationally the program is 3 to 5 months behind schedule); will the program be funded fully; will the program be truly supplemental as originally passed (i.e. NDSL funded at $286 million, EOG $130 million and CWSP $237 million); and finally, will the method for determining individual entitlement accurately reflect the true need of those families which I believe you wish to help?

On February 2, 1973 the Federal Register published the proposed schedules, which if accepted will serve to determine those students who will be eligible and the amount of the BOG entitlement. I feel this proposed formula should not be accepted as it is.

Presently in operation in most colleges and universities is the College Scholarship Service or American College Testing Program. My particular institution subscribes to the College Scholarship Service analysis system. It is an approved analysis procedure for the existing college based Federal programs, state scholarship agencies, private agencies, and for Federally Insured Loan Program determinations (effective March 1, 1973). It is a system that is based on a history of data and research. The staff works closely with regional HEW offices and has input from hundreds of financial aid officers. Granted the system is not foolproof but it is tested, reliable and equitable.

One example of its sophistication might be seen in comparison of the taxing rates. The OE proposal uses only two taxing rates on "discretionary income"; CSS and ACT use a progressive tax schedule.

The proposed OE system is generally more harsh in its expectation of parental contribution. First, the OE system proposes a 5% tax on all assests over $7,500. It is generally agreed that persons may have a modest home or savings, and that some assets—like a home—are not easily converted into cash, but may in fact cost the family cash outlay. Second, regardless of what a mother's situation might be, if a student receives social security benefits, these funds would automatically reduce the BOG entitlement.

Third, the differences in the computed (OE vs. CSS) parental contribution are shown below.

	Number of children			
	1	2	3	4
$5,000 income:				
OE	280	105	0	0
CSS	23	[1] −171	−274	−351
$6,000 income:				
OE	458	291	163	64
CSS	269	24	−101	−196
$7,000 income:				
OE	625	460	334	236
CSS	514	217	72	−47
$8,000 income:				
OE	780	626	501	406
CSS	756	441	243	101
$9,000 income:				
OE	953	791	669	575
CSS	995	668	446	250
$10,000 income:				
OE	1,181	959	838	746
CSS	1,266	893	645	447

[1] A negative contribution implies that the parents should receive this amount from the student as contribution to the cost of maintenance.

I would like to recommend that the proposed OE formula be revised so that the parental contribution be the direct result of the CSS or ACT analysis systems; or that the formula at least be revised to be more closely aligned to those systems.

Educational Opportunity Grant presently funded at $210.2 million (FY 73) provided grant aid to students from families defined as high need. Because funding was allocated in separate initial and renewal funds and because the program has never been adequately funded, students eligible for this type of assistance are receiving less than their entitlement from this program or no award at all. For FY 73 funding requests were approved for $259 million and $210.2 million was allocated. Since there is also a parental income cut off, students from higher income but equally low anticipated parental contribution are not eligible for this type of assistance. It is now proposed that for 1973–1974 (FY 74) Education Opportunity Grant be dropped completely.

I would like to recommend that the program remain at least partially funded for three reasons: first, so that private education remain as an alternative form of education;

second, that it act as a back-up source of funding to the BOG program in the event implementation be delayed or that it is not fully funded; and third, because when BOG was approved it was intended to be supplementary.

In the National Direct Student Loan Program funding as presently proposed no new appropriations would be made.

I would like to recommend that the funding level of at least $286 million be appropriated. There is $23.6 million appropriated for FY 73 which may be carried forward into FY 74; however, there is no assurance of this. The program was originally established to be a revolving fund, and some $160 million is anticipated nationally to be available for loans through repayments on loans outstanding. There is a problem here and great imbalance of available repayments due to length of time a school has been involved in NDSL. Further, the higher the percentage of teacher cancellations the less available dollars returning. There seems to be an assumption that the guaranteed loan program will absorb loan needs. With the additional qualifications lenders place on loans, it does not appear to be a realistic possibility.

The College Work-Study Program proposal is to fund at a level of $250 million (FY 74) as opposed to the $270.2 million appropriated for FY 73. Although this is only $20 million below this year's appropriation it would result in considerably less for each institution because of new schools entering into the program (about 500 nationally and ten (10) in Massachusetts alone). Therefore, if the OE formula for Basic Opportunity Grant is changed and if BOG is fully operable, I would recommend that the appropriation be increased to its present funding level. If the formula is not changed and the BOG behind schedule, I would hope that Congress would be more inclined to consider increased funding along the lines of HEW panel recommendations approved for institutions for FY 74.

In capsule form I would hope that what appears to be the Administration's intent comes to fruition. Aid to higher education is one area which the Administration views as worthy of substantial Federal investment. This is evident in the total dollars proposed for college based student assistance programs.

My main concern is that if the Basic Grant Program is not fully funded, operable and does not have a realistic eligibility formula, it will not even reach students from families now defined as "high need." Further, supplementary programs to provide the remaining half of the eligibility will be available in inadequate amounts.

I could continue indefinitely with examples of the true needs of students and parents with whom I have had contact during my financial aid experience. I will be happy to speak with you or any member of your staff regarding these issues.

HELEN M. REYNOLDS,
Director of Financial Aid.

NEWTON COLLEGE,
Newton, Mass., April 4, 1973.

Hon. SILVIO O. CONTE,
Representative, First District, Massachusetts, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN CONTE: I want to thank you very much for your March 20th letter informing me of recent developments in the Appropriations Subcommittee of Labor-HEW as they affect federal funding for student aid programs. It goes without saying that all of us in private, higher education are deeply concerned about the action Congress will take on the President's recommendations.

Newton College, like every other private institution, is seeking financial stability. We are forced to increase tuition annually in order to meet expenses, and each increase in tuition narrows the field of prospective students from which we draw entering freshmen. We need sufficient financial aid to support larger numbers of lower income and lower-middle-income students. More than any other factor, the availability of student aid probably has the greatest impact in determining the destiny of Newton College.

I would like to give you some data relative to the impact of President Nixon's proposal on Newton College. In the current year, 181 of our undergraduate students are receiving support through the SEOG and NDSL programs. Of this number, 51 received SEOG grants totaling $37,360. Practically, everyone of these 181 students are receiving a loan under the NDSL program, and the loans made this year total $73,000.

We have made some rough calculations of the assistance which would be provided under the BOG program, given that it is fully funded and that the calculation of family contribution remains essentially the same as that used in previous programs. Applying these assumptions to our current student body, 118 students would be eligible for BOG awards totaling $98,580. Since Newton College entered the NDSL program late and has had a relatively small authorized level of lending, we will have only a few hundred dollars per year in repayments which can be used for NDSL loans to future students. Failure to receive capital contributions to our NDSL fund will be the most dramatic of all changes. This will leave Newton College with virtually no loan fund for its students, and we will have no way of helping those who cannot secure funds from non-college sources. We would certainly push to have funds made available for additional capitalization of NDSL funds, particularly to those schools like Newton, which, as a result of relatively new and small loan programs, receive very limited repayments annually.

I should tell you that locally we are doing everything we can to protect our student aid program. Newton College currently puts $325,000 of its unrestricted budget into student financial aid. Expressed as a percentage of our educational and general budget, this amount approximates 15% and is unusually high for our type of school. I am certainly appreciative of your interest and support and stand ready to assist if there is anything we might do to further represent the needs of students.

Sincerely,

JAMES J. WHALEN, Ph. D.,
President.

WHEATON COLLEGE,
Norton, Mass., April 3, 1973.

Representative SILVIO O. CONTE,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE CONTE: Many thanks for your thoughtful letter of March 20. I strongly applaud the stands that yo uhave taken in that letter, and I sincerely hope that you may be successful in getting the administration to carry out the provisions of the education amendments of 1972 to provide basic funding for Educational Opportunity Grants, Direct Student Loan Funds, and College Work-Study.

We agree that the Basic Opportunity Grants Program has important potential, but it has genuine limitations, particularly for the seriously deprived student. Our projections also suggest that the currently requested appropriation is far too low to allow it to replace the kinds of funds that were previously available.

These are important matters at Wheaton. The loss of funds that were available to us from the Federal Government last year could mean that somewhere between 50 and 100 students would not be able to return to College.

You have our admiration and gratitude for your concern about these matters.

Sincerely,

W. C. H. PRENTICE,
President.

HOLYOKE COMMUNITY COLLEGE,
Holyoke, Mass., March 26, 1973.

Hon. SILVIO CONTE,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN CONTE: We would like to share with you our thoughts and suggestions regarding Administration budget requests for the major student financial aid programs for use during the 1973–74 academic year.

It is our understanding that the President's proposals would mean that the following amounts would be made available for the indicated programs:

Basic Educational Opportunity Grants (BEOG's)	$622.0 million
Supplemental Educational Opportunity Grants (SEOG's)	.0
College Work-Study Program (CWSP)	250.0 million
National Direct (Defense) Student Loans (NDSL's)	23.6 million

The above figures, of course, reflect plans to implement the new BEOG Program, discontinue the SEOG Program, and to eventually eliminate any further Federal capital contributions for direct loans.

The substitution of BEOG's for SEOG's seems to be in part an effort to channel a greater share of student financial aid to middle income groups and a relatively smaller share to those of exceptional financial need. For instance, because of the absence of a matching requirement under the BEOG Program, a grant could be given where the overall need is as little as $200, whereas under SEOG regulations need would have to be at least $400 before such a grant could be awarded. Consequently, some with less need, (generally those from relatively higher income families), will be able to receive aid that they couldn't have received previously.

In addition, according to proposed regulations published in the *Federal Register*, reductions below zero in the amount a family might be expected to contribute toward a student's educational costs would not increase the BEOG due to the student. In the case of SEOG's, on the other hand, grants could reflect such negative family contributions. Thus, more of the financial need of these exceptionally needed students would have to be met from other sources.

Other sources of financial aid are being contracted, however, especially aid for the most disadvantaged students. The most dramatic example is the anticipated reduction in new monies for the NDSL Program. For Holyoke Community College, we have estimated that the amount of direct loans which our Financial Aid Office would be able to award would be reduced from $10,814 for the present academic year to $2,601 for the next. This estimate is based upon two assumptions: (1) that we can hopefully expect available repaid monies to equal approximately one and one-half times the amount repaid in the first eight months of this fiscal year, thus totaling $2,088; and (2) that we will receive the same proportion of the as yet unallocated $23.6 million as we received of the $286 million allocated for the present academic year. It is our concern that the attempt to expand loans through the Federally Insured Student Loan (FISL) Program will not offset the NDSL reduction, particularly for disadvantaged students.

At the same time, contemplating the proposed decrease in the overall amount to be appropriated for the College Work-Study Program together with reported increases in the number of applicant institutions, we are apprehensive about the possible drop in our own CWSP grant.

We support efforts to expand financial aid for educational purposes to middle income families, but not at the expense of aid to the lower income groups. In this regard, we can well appreciate the feeling on the part of a great number of moderate income families that many with similar needs but

smaller earnings receive greater real incomes because of eligibility for a variety of government benefits, such as Medicaid, Rent Supplements, AFDC and Food Stamps. This is not only a question of work incentives and economic efficiency, but also a question of equity. If this problem is not squarely faced one can probably expect further loss of middle class support for attempts to aid the disadvantaged. Our suggestion is to move more definitely toward an income support system involving a strong work incentive, while at the same time making other benefits (including student financial aid), independent of income. Such a program could start with a relatively low income floor, which could be raised regularly until equal to the poverty threshold in a nominal number of years.

As an interim accommodation, an alternative BEOG Program might be established awarding grants equal to 50% of student financial need as calculated on the basis of the BLS concept of a "moderate" standard of living. In this way at least the BEOG Program itself would contain a work incentive.

We hope that this expression of opinion is of some assistance in your efforts to promote one of our common goals: a system of student financial aid which is at once fair in design, adequately funded, and effective.

Respectfully yours,

GEORGE E. FROST, *President.*

BOSTON COLLEGE,
Chestnut Hill, Mass., March 12, 1973.

Hon. SILVIO CONTE,
U.S. Congressman, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN CONTE: I am writing to solicit your support in averting the potentially calamitous effects upon Boston College of the reductions in aid to higher education proposed in President Nixon's tentative 1974 budget. As an alternative to that budget, I would strongly urge your support of the supplemental appropriation bill that was proposed by Mr. Carl Perkins, Chairman of the House Education and Labor Committee, and by Mr. James O'Hara, Chairman of the House Subcommittee on Education, in their testimony before the Education Appropriations Subcommittee.

If President Nixon's proposed FY 1973 and FY 1974 budget requests were to be implemented, Boston College and its students would stand to lose acutely needed support in three principal areas.

The Boston College School of Social Work would see terminated its current grants of $176,000 from Social and Rehabilitation Services, grants of $131,000 from the National Institute for Mental Health, and a United States Public Health Planning grant of $125,000. Our program created to reach the Spanish speaking community, the only one of its kind in the New England area, would be seriously jeopardized by these reductions.

Among the six major schools at Boston College, it is the School of Nursing that would be most directly handicapped in its endeavors by reductions proposed in President Nixon's budget. Not only the high quality, but the very existence of our excellent graduate nursing program would be placed in jeopardy by the loss of current traineeships that our graduate nurses hold under the Nurse Training Act and the National Institute of Mental Health to the sum of $562,000. Capitation grants for both graduate and undergraduate programs, in the amount of $135,000, would likewise be lost to the Nursing School, as would eventually, assistance amounting to $70,000 in support of our psychiatric nursing faculty. Insofar as the Boston College School of Nursing currently has 131 students studying on scholarship, and 163 students pursuing their studies on loans, the reduction of funds proposed by President Nixon's budget would be a severe blow to the University's ability to provide society with highly trained and competent nurses.

Though President Nixon's proposed reduction in aid would be a staggering blow to the two schools mentioned, his proposal to substitute the basic Educational Opportunity Grants for the currently operative Educational Opportunity Grants and National Direct Student Loans, would have an even more sweeping effect on Boston College. Boston College is currently receiving slightly in excess of $2 million in Educational Opportunity Grants and in National Direct Student Loans that it has disbursed to 2,000 NDSL recipients and 600 EOG recipients. We have already done calculations to indicate that if the basic Opportunity Grants were to substitute for these two programs, 55% of Boston College students presently receiving aid would be ineligible for assistance under the new program.

In short, the BEOG program will not realistically be a very helpful source of aid for the majority of students attending private institutions, because the formula for determining grant amounts is such that most middle income students would be limited to an extremely small grant, and many low income students will receive less than is realistically needed to attend many private institutions.

Over its 110 year history, Boston College has sent more than 50,000 alumni into positions of eminence in almost every category of service to this country. In recent years, both the College and its students, have benefited significantly in pursuit of their educational goals by assistance from the federal government. The elimination of this assistance, as proposed in President Nixon's budget, would not only severely limit Boston College's capability to provide its unique educational experience, it would drastically reduce the economic freedom of choice among the many students desirous of pursuing their higher education at this institution.

May I respectfully request your earnest efforts in opposing the reductions in higher education assistance proposed by President Nixon's budget, and in supporting the supplemental appropriations bill that has already gained bipartisan committee support in Congress, as well as the endorsement of all major higher education associations in the nation.

Sincerely,

J. DONALD MONAN, S.J., *President.*

SIMON'S ROCK,
Great Barrington, Mass., March 26, 1973.

Hon. SILVIO O. CONTE,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR MR. CONTE: Thank you for your long and informative letter about the state of government education grants for next year. I have been trying to keep up to date on the state of affairs, but it has become increasingly difficult, as you might guess. At the moment, I think that a place like Simon's Rock simply has to sit back and wait to see what is liable to happen.

As you know, we did apply for a sum of $83,000 for work-study, scholarship aid, financial aid, etc. This was the first time we had actually attempted to break into the field of government aid and it was particularly important for us as we want to try to bring the institution up to a size of eight hundred in ten years. Without the aid which we might have gotten from the government, it is going to be extremely difficult to provide the scholarship monies necessary to help out the kind of student that we want to get on the campus more in the future. As you are aware, we have a much too limited group of students to draw from because of the tuition problem. We have jumped the scholarship aid from slightly over $20,000 to $90,000 this year, but our own resources are not going to be enough to provide the increased aid which a wider student body will require.

I will await further word from your office with interest. I know that you are fighting hard for strong educational programs and funding such as those currently under attack. We all have our fingers crossed, and if there's anything that we can do to help, please let me know.

Cordially,

BAIRD W. WHITLOCK,
President, Simon's Rock.

GREENFIELD COMMUNITY COLLEGE,
Greenfield, Mass., March 23, 1973.

Hon. SILVIO O. CONTE,
Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE CONTE: Thank you for your long letter concerning the status of federal funds for student financial aid. Our financial aid officer has pulled together information which shows what these proposed changes in federal funding will mean for Greenfield Community College. In summary, the panel recommendation for Fy '74 will mean a loss of $48,000 in student financial aid funds, affecting approximately 98 students. Some members of your staff may be interested in the details of Miss Campbell's memo, so I am enclosing a copy for you.

I especially appreciate the efforts you are putting forth on our behalf. At a time when the Federal Government is trying to bring itself on balance financially, we must do everything possible to see that priorities go to those programs that provide the greatest benefit for the national interest. You know better than I how the Federal Government could reduce its spending while providing more effective service to the people through a reordering of priorities.

If there is anything I can do to help, please let me know. With best personal wishes.

Cordially,

LEWIS O. TURNER,
President.

To: Dr. Lewis O. Turner.
From: Margaret A. Campbell.
Re: Student Financial Aid—FY '74.
Date: March 6, 1973.

The Administration's FY 1974 Budget proposes three drastic changes in current Student Financial Aid Programs:

1. Elimination of the SEOG Program. (Supplementary Educational Opportunity Grants, formerly known as the EOG, Educational Opportunity Grants Program).

2. Elimination of new federal funds for the NDSL (National Direct Student Loan Program, formerly the National Defense Student Loan Program).

3. Funding of the New Basic Opportunity Grants Program.

It is worth noting, that the Education Amendments passed in June, 1972, specifically stated that appropriations could not be made for the New BOG Program until all three existing programs (Grants and Loans and Work Study—items #1 and 2 above) had been funded to the level of FY '72.

Perhaps it would be most helpful at this point to summarize as briefly as possible what these proposed changes would mean for Greenfield Community College in FY '74.

1. Based on our current year experience (FY '73) loss of the Supplementary Educational Opportunity Grants Program would mean a loss of $11,280. Approximately 38 students would be affected.

2. Again based on FY '73 experiences loss of new federal funds for the National Direct Student Loan Program would mean a loss of $8,340. Approximately 28 students would be affected. (Generally these would not be the same students as those receiving grants as indicated above).

Summary:

Loss of $19,620 in Student Financial Aid Funds.

Total of 66 students would be affected.

The remainder of the information in this memo is presented in an attempt to amplify the effects at Greenfield Community College of the proposed changes in the Student Financial Aid Programs.

1. Basic Opportunity Grants

Funding of the Basic Opportunity Grants Program would mean that students would be eligible for a grant of $1,400. minus the amount they and their familes would reasonably be expected to contribute toward their education. No grant may exceed ½ the cost of a student's education. Please note the preceding sentence. A single, resident, dependent student at Greenfield Community College would be entitled to a maximum grant of $900 assuming no family contribution.

I have not met any Student Financial Aid Officer willing to try to accurately predict what this program would mean in actual dollars for their institution. However since the funds requested for this program exceed the cuts requested it is logical to assume that total federal support of Student Financial Aid may be as strong in FY '74 as it was in FY '73. However it should be noted that the student from the middle-income family will suffer. They will no longer be able to depend on assistance under the National Direct Student Loan Program and it is doubtful that they will be entitled to more than a very minimal amount under the New Basic Opportunity Grants Program.

2. Administration Expenses

Under the Supplementary Educational Opportunity Grants Program and the National Direct Student Loan Program institutions may receive 3% of the amount actually awarded to students as a reimbursement for administratve expenses. This fact should be taken into account when considering the effects upon the College should these two programs be eliminated.

3. Institutional Application For Federal Financial Aid Funds For FY '74.

In November, 1972 Greenfield Community College submitted its institutional application. In December, 1972 we received from the Region I Office of HEW the recommendations for funding for FY '74 made by the Regional Panel. These figures are listed below:

NATIONAL DIRECT STUDENT LOAN

	Federal dollars only	SEO grants	
		Renewal	Initial
GCC request	$27,210	$4,720	$20,000
Panel recommendation	23,669	4,720	20,000

Summary—Based on Panel Recommendation for Fy '74.

Loss of $48,389 in Student Financial Aid Funds.

Approximately 98 students would be affected.

4. Attached to this memo is a chart summarizing the Grant and Loan Program for FY '72, '73 and projections for '74.

	Fiscal year—		
	1972 acutal	1973 estimated	1974 projected
SEO GRANTS			
Amount	$11,035	$11,280	$24,720
Number of students	34	38	58
NDS LOANS			
Federal dollars	$4,399	$8,340	$23,669
Number of students	11	28	40

WHEELOCK COLLEGE,
Boston, Mass., March 23, 1973.

Congressman SILVIO O. CONTE,
Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN CONTE: With the cooperation and assistance of Rich Palmer, our Vice President for Administration I submit the following information in response to your recent letter.

We understand that there has been no budget request to fund SEOG's and the capital contributions to NDSL funds. Wheelock College has budgeted $35,500 and $69,300 respectively from these sources for fiscal-academic 1973–74. If these programs are not funded, the loss to Wheelock would be $104,-800, less an estimated $15,000 representing repayments of NDSL's.

Cordially,

WILLIAM L. IRVINE,
Acting President.

MASSACHUSETTS TEACHERS ASSOCIATION,
March 29, 1973.

Hon. SILVIO O. CONTE,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR SILVIO: Thank you for your recent letter expressing your views on post-secondary student assistance programs. I commend you for your excellent and thorough grasp of the problem facing students on post-secondary campuses.

Our position has always been that the BOG's were supplementary to, and in addition to, the existing programs. We cannot accept the substitution concept that the Administration has proposed because a considerably more limited collegiate clientele is served. Although the Administration indicates that a greater number of students would be served, they are a more specialized class of students and more of them would get assistance as those students currently served are receiving. Furthermore, we are of the opinion that the Administration's proposal of abandonment of programs that have shown to be successful is a step backward, and that focusing on a more specialized class of college students, offering less assistance than those college students would receive under existing programs is another step in the wrong direction.

Silvio, I certainly applaud your efforts and heartily offer our support in encouraging other members of Congress to move forward rapidly in the direction you are going. It is important to the future of our post-secondary students that Congress maintains and sustains the present programs *with BOG's* in addition, and as a supplement.

I might also mention that there is some concern about the discontinuance of Higher Ed's Title I. There has been merit in the university, community service and continuing education programs. These will be totally phased out by the budget requests for FY '74.

We concur with the Administration when it recommends strengthening the developing institutions program by asking for $100 million which is almost double that of any previous year. We also concur with the request for $15 million (sorry it is not more) for innovation and reform in post-secondary education. This new thrust will prove to be money well spent.

Again, thank you for your tremendous leadership and for keeping us informed about this most important program. We will do all we can.

Incidentally, Richard Carrigan of the National Education Association is our expert on the subject of student assistance programs. I am sure he would also be happy to assist you in any way he can. (He can be reached at 833–5414.)

Sincerely,

WILLIAM H. HEBERT,
Executive Secretary-Treasurer.

REGIS COLLEGE,
Weston, Mass., March 28, 1973.

Hon. SILVIO O. CONTE,
Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN CONTE: Thank you for your letter of March 20, 1973. It was most encouraging to have your support and assurance that you will make every effort to insure the federal funding for postsecondary student assistance programs.

As you noted, the Administration has recommended $622,500,000 for the Basic Opportunity Grant Program for next year. However, I wish to call to your attention the fact that under the Federal Needs Analysis System which was published in the Federal Register on February 2, 1973, so few students would qualify for the new grant program that the full appropriation could not be spent.

We have reviewed the situation of several of our students who are now receiving Supplemental Educational Opportunity Grants to see how they would fare under the new grant program. The results of two cases are as follows:

One student is black and from Washington, D.C. Her mother is a secretary, and her father is unemployed. There is one other dependent child, a son, who has been hospitalized since 1958. The family's annual adjusted gross income is $8,550. This student is eligible for a $1,000 Supplemental Grant this year and would be eligible for a Basic Grant of only $289.50—assuming the program is funded at the level requested.

A second student is a Massachusetts resident. She is an only child. Her mother is the family's sole support because her father died when she was 12. The family's annual adjusted gross income is $5,180. She is eligible for a $1000 Supplemental Grant this year and would be eligible for a Basic Grant of only $289.50—again, assuming the program is funded at the level requested.

I would like to emphasize one difficulty; namely, the severity of the method used for determining entitlement. Other problems surrounding the Basic Opportunity Grant Program have been set forth in a position paper developed at Massachusetts Institute of Technology. I am enclosing a copy.

We are also concerned with the Administration's failure to request funds for the continuation of the Supplemental Educational Opportunity Grant Program and the federal capital contribution to the National Direct Student Loan Program. Without these two programs, Regis College would lose $118,755 in federal monies.

It is clear that the new grant program would not begin to replace funds lost from the elimination of these two programs. Not only are the eligibility requirements for the new grant program very stringent, but also the likelihood of the program's being operative in time for the 1973–74 year is in question. The BOG implementation is currently two to five months behind the schedule it should follow to truly be a foundation of financial support, with other federal, state, institutional and private funds supplementing it. Even under ideal circumstances of Congressional approval of family contribution schedules and delivery procedures, printing and distribution of forms, programming of entitlement analysis, processing of applications, and notifying applicants of entitlement, it will be a very tight and demanding schedule to complete by next fall. Should the appropriations process become snarled, the situation is further complicated.

Under the circumstances, I believe it is essential for the three college-based programs to be fully funded for next year, before any money is appropriated for Basic Grants.

Sincerely yours,

Sister JEANNE D'ARC O'HARE,
President.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY,
February 28, 1973.

COMMENTS ON THE PROPOSED BASIC EDUCATIONAL OPPORTUNITY GRANT REGULATIONS

In looking forward to the implementation of the Basic Educational Opportunity Grants Program, three questions have troubled us. Will they be adequately funded (and not at the expense of existing programs), will these grants be effectively delivered to the students who need them, and will the method for determining entitlement accurately reflect the genuine need of those families which Congress wants to help?

Although funds have yet to be voted and the "delivery system" is not firmed up, there is now a clue to the third question. On February 2, the Federal Register, beginning at Page 3228, published a communication from the Acting Commissioner of Education proposing certain rules and schedules which, if adopted, will determine the amount of BEO Grant a student will receive. The Massachusetts Institute of Technology feels that this proposal should not be adopted as it is—that it should be changed for the following reasons. First, we comment on the basic contribution system. Secondly, we shall look at the remaining principal aspects of the proposed rules, specifically the tax on assets and the treatment of student savings and of social security.

The Office of Education schedules are substantially different from the need analysis systems most generally in use by colleges and universities, state scholarship commissions, and other public and private agencies which set stipends for needy undergraduates; nearly all private scholarships and loans are set by these systems, and so are most of the grants, loans and jobs under the existing federal undergraduate aid programs. We refer to the College Scholarship Service and to the American College Testing Program systems of need analysis which provide approximately similar results. Either of these systems could do the job which we believe Congress desires done in providing a standard for the grants, and we suggest that the different and, as will be seen, economically harsher system described in the Federal Register is unnecessary and unjust.

There are several ways to compare the proven systems with the one proposed. Perhaps the simplest way is to look at some marginal income situations and compare the results under the CSS and ACT systems with the proposed schedules just published.

At the $5000 to $10,000 levels of income before taxes, the following parental contributions are (or would be) in effect (assume two parents, one working):

	Number of children				
	1	2	3	4	5
At $5,000:					
OE	$280	$105	0	0	0
CSS	23 [1]	−171	−274	−$351	−$417
ACT	90	−150	−270	−360	−410
At $6,000:					
OE	458	291	163	64	0
CSS	269	24	−101	−196	−256
ACT	320	20	−130	−220	−280
At $7,000:					
OE	625	460	334	236	127
CSS	514	217	72	−47	−111
ACT	570	190	10	−100	−160
At $8,000:					
OE	780	626	502	406	299
CSS	756	441	243	101	29
ACT	810	430	130	20	−60
At $9,000:					
OE	953	791	669	575	469
CSS	995	668	446	250	169
ACT	1,050	660	360	120	50
At $10,000:					
OE	1,181	959	838	746	642
CSS	1,266	893	645	447	349
ACT	1,320	900	590	340	160

[1] A negative contribution implies that the parents should receive such an amount from the student as a contribution to the cost of food, clothing, housing during the summer months.

A cursory study of this table demonstrates that a difference of $100 to $400 exists in most cases between the OE schedules and the comparable CSS/ACT figures.

Still another way to compare the relative harshness of the OE schedules is to look at the incomes before taxes at which families are expected to produce the first $100 of contribution. As can be deduced from the above table, using the ACT standard as the more realistic and assuming simple cases, those incomes (before taxes) are:

	Act	Proposed OE
1 child	$5,000	$3,850
2 children	6,500	5,000
3 children	7,800	5,850
4 children	8,900	6,400
5 children	9,500	6,900

Should it seem that a family with two children can easily afford that $100 from a $6500 income, it is well to note that this figure is far below the "modest urban family" standard of the Bureau of Labor Statistics. But the real issue is that the comparable income in the OE proposal is dramatically lower still, at $5000.

Secondly, the OE system proposes a 5% tax on all assets above $7500, regardless of whether they involved home equity or life savings. Moreover, one-third of the student's savings are to be taken as a direct reduction of BEOG eligibility, rather than one-fourth, although certainly many recipients will be attending a four-year institution.[1] Further, no matter how desperate the mother's situation, the student's social security (if any) would be taken to reduce any BEO Grant.

We do not argue that the CSS and ACT systems have reached unchallenged perfection. On the other hand, we know that a case cannot be made for the greater validity of the OE proposal. What can be argued is that the systems now in general use rest on the best data and research (both governmental and private), and more significantly on the accumulated experience and wisdom growing out of millions of encounters between aid officers and parents. Where there is a limit to science, where common sense, experience, and wisdom must suffice, is it not wise to opt for the sense that is common, that is based on experience?

We are convinced the proposed rules can be readily changed in simple fashion to produce results more in line with tested and accepted standards. Specifically, we recommend the adoption of the CSS system or the ACT system (which is methodologically similar to the proposed OE system). Thus, for example, rather than the OE "family size offset" figures shown in the Register, there could be substituted the ACT table which shows $2610, 3950, 5310, 6410, 7310, 8120, etc.[2]

Secondly, where the OE proposal used only two taxing rates on "discretionary income" (D.I.), i.e., 20% on the first $5000 of D.I. and a flat 30% for all income above that level, both ACT and CSS use a progressive tax schedule. ACT, for example, takes $150 plus 30% of the first $1000 of D.I., plus 31% of the second thousand plus 33% of the third, and thence by simple arithmetic progression to 57%. It is in the fourth term of this progression that $1400 of family income is reached, the rate at that point being 36%.

The proposed OE system is generally more stringent—despite its maximum ceiling of 30% on the rate of taxing discretionary income—because of the much harsher family size offset effect. We consider the ACT figures to represent a well matured, much more realistic system; as can be seen from the table, the results speak plainly.

We are convinced that the Congress did not intend to substantially and negatively redefine generally accepted standards of family financial capability. A difference of two or three hundred dollars in a scholarship means a great deal to a student whose father earns only $7500 a year. And, perhaps equally important, the aggregate of even small sums will substantially alter perceptions of need—a factor of vast importance in future funding deliberations.

We therefore urge that the Office of Education adopt, for the purpose of establishing entitlement for Basic Educational Opportunity Grants, either the commonly accepted CSS or ACT systems of student financial need analysis.

[1] A more detailed criticism of this specific facet of the proposed system, by D. T. Langdale, of our staff, was sent to the Office of Education on February 9.

[2] ACT Handbook for 1972.

MARCH 27, 1973.

Memorandum for: President Wood.

Subject: Federal Budget Impacts on University of Massachusetts.

After consulting with Phil Gartenberg and his consulting, in turn, with the three campuses and some additional checking, here is the list currently available on the effects of cuts in the FY '74 federal budget on the University.

1. Student Assistance—a loss of $3 million:

[In millions]

Supplemental educational opportunity grants	$1.1
NDSL program	1.4
Research and training grants	.5

2. Inadequacy of Basic Opportunity Grant:

Students needing assistance (FY '74)	9,100
Students possibly aided by BOG	6,140
Students getting no aid	2,690

3. Inadequacy of amount:

Average grant at present	$946
Average BOG expected	702
Average cut for each student	244

4. General Federal Research Support: estimated loss of $1.1 million from FY 1972 total of $10.9 million in sponsored research.

5. Training Grant Phaseouts (NIH/NIMH).

Department	Fiscal year— 1973	1974	1975
Psychology	$127,300	0	0
Nursing	76,724	$52,051	$52,051
Zoology	52,250	53,150	54,050
Microbiology	59,911	70,185	74,986
Total	316,185	175,386	181,087

The loss of approximately $140,000 per year will affect principally clinical psychology and psychiatric nursing.

6. Land-Grant Allocations: $247,500 (approximate) for FY 1973 appropriated and signed into law (1973 supplemental).

Impounded and rescissions requested. No appropriation request for FY 1974.

Total Loss: $500,000 (approximate) for FY 1973 and FY 1974.

7. Projected Federal Student Financial Aid (from FY 1974 application to DHEW)

Line 52	Total need	$6,011,945
Line 53	Amount Available	3,917,100
Line 54	"Unmet need"	2,094,845

(This presumes all funds are actually made available.)

At U. Mass/Boston, where 76% of the students work at least 10 hours a week, the estimated loss of $507,529 in student aid funds is especially critical.

8. Medical School (U. Mass/Worcester):

A. Estimate: $100,000–$300,000 decrease in projected general research support.

B. Estimate: long-term reductions will eliminate $500,000–$1,000,000 for planned nursing and allied health education and construction funds, individual research grants, etc.

C. Warning: Increases in co-insurance provisions of medicare increase costs for every patient who enters teaching hospital.

NOTE.—U. Mass/Worcester Medical School is in first years of operation with only 40 students per year at present, so effects are low.

9. Title II–A of the Higher Education Act of 1965 (College Library Resources) provided special purpose grants of $25,000 at the Amherst campus and $26,000 at the Boston campus in FY '72. The 1973 Supplemental Appropriation Act, passed in the closing days of the 92d Congress, provides funds at a level of $5,000 each for these libraries. But the administration's proposal for a rescission of nearly 10% of these funds obviously could reduce this total by close to $1,000 overall. Bad as this is, the budget for FY '74 proposes no money—a fact starkly announced on page 432 of the budget appendix in the following sentence: "In 1974, federal support will be discontinued."

10. Agricultural support programs will be cut:

A. Cooperative State Research (Hatch Act). A loss of $206,355 (21.5%) from FY '73.

B. Cooperative Extension (Smith-Lever Act). A cut of $47,075 from FY '73.

Of this, $20,173 is for the expanded nutrition program. The cut will probably affect low-income neighborhood family-nutrition educational units.

L. EDWARD LASHMAN, Jr.,
Vice President for Development.

Mr. MARTIN of North Carolina. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. FLOOD), and wish to commend him and the gentleman from Illinois for what I think is a balanced approach in view of the crisis we are now facing.

As a former college teacher, and member of the committee on admissions and student aid at Davidson College, I can fully appreciate the soundness of the basic opportunity grants proposed by the administration, and I also recognize that it may be that this amendment will be voted down for lack of general study by Members of the House, as several have called for. But there can be no doubt that it is urgent.

Colleges and universities will be hard-pressed to administer the continued program, even if enacted now; but it would be catastrophic, in my opinion, for them to be left in the land of uncertainty this late in the spring with so many decisions to be made on admissions and aid programs for next fall.

Therefore, I would ask that we bear in mind that they do not have the administrative staff that our committees have, and, therefore, I would urge that the House act to adopt this amendment so that they can proceed with their job.

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

Mr. Speaker, I will make this short, and will revise and extend my remarks at a later time. I should like to express my personal pleasure that Mr. FLOOD and his subcommittee have moved to meet the student assistance crisis in this critically important area of postsecondary education. Congressional action in this vital field is already extremely late, and moving now, instead of postponing it to a month from now, may be what will make the program work instead of causing a disaster.

People need this. April and May are the months which most institutions need to make financial aid commitments to their students, and they must have the word very quickly.

I would personally have preferred that significant changes were made in dollar amounts for a number of the programs, but that is not to be the case, and the amendment before us should be adopted.

My greatest disappointment is the low level of funding being recommended for the new basic opportunity grant program. I feel this is a fine program providing more equitable grants than we have ever had in this field.

I am also concerned over the relatively large amount of $210.3 million which the amendment suggests for another new program—the supplemental education opportunity grant program. I think there is a serious question whether the authorization level for this important new program has not been exceeded by this appropriation, but that is a question which can be checked out and, if necessary, modification can be made in the other body.

I am sure the colleges will appreciate knowing that the popular national direct student loan program will be continued. But it should be understood that there is no legal requirement to fund this program in a 1973 supplemental bill. Its funding could, as in the past, be appropriated in the fiscal year appropriation bill for which the money is to be available to students.

I agree with the intention of the amendment to stay within the budget ceiling. Certainly it would be a disservice to all of our students and institutions to appropriate funds which might be subject to a veto. A veto would effectively eliminate the possibility of a smooth implementation of our program next fall, as well as delay the college commitments to students under existing programs.

This is not simply a desirable amendment; it is a critically important amendment in the States and congressional districts of every Member of this House. I would hope that it is swiftly and overwhelmingly adopted.

I yield back the balance of my time.

Mr. SHRIVER. Mr. Speaker, I rise in support of this amendment to include student assistance funds in this urgent supplemental appropriations bill. In terms of the number of people directly and personally affected, no other item has higher priority in this emergency bill.

Normally, student financial aid administrators on our campuses are able to advise applicants, at least tentatively, what assistance they may expect to receive for the next school year by mid-March or early April. This is necessary if a student is to be able to plan for the additional resources necessary to finance today's college costs.

It is now the middle of April. Present plans are to report a general supplemental appropriations bill from our committee on May 3. Presumably, this would allow for House action the week of May 7. With Senate action, conference action, and the approval of the President still to come, it is unlikely that students can know what aid they might receive until late May or early June. This, in many cases, is too late to alter summer employment plans.

In urging this immediate action, I want to stress that the total amount we are recommending in this amendment is the same as the President's budget request for the 1973–74 school year, $895.6 million. The amendment adjusts the amounts allowed for each of the components of the total to reflect the immediate needs as ascertained in our hearings.

The amendment provides $122.1 million for the new basic opportunity grants. While this is obviously not enough to come close to full funding of this program, it is enough to get the administrative machinery moving so that we will be in a position to operate the program at an effective level next year. If the paper work cannot be completed in time to use even this $122 million for basic opportunity grants, then these funds are to be used for educational opportunity grants.

Since the committee is not convinced that the basic opportunity grants program can, at this time, effectively replace the present student assistance programs, even if full funding were provided in this urgent supplemental bill, we have provided funds to operate these ongoing programs at the same level as the current school year. To do otherwise would be irresponsible and would make students suffer because of inaction by the Federal Government.

The committee is especially wary of the predictable consequences of any recommendation to fully fund all of these programs. Our President is attempting, with some success I might add, to hold down total Government spending in order to avoid a sizable tax increase or further inflation. An attempt to increase this amendment far above the President's budget request would be counterproductive to the interests of students. The delay caused by a veto and subsequent congressional action would have the same effect as inaction on this amendment today.

I strongly urge House passage of this amendment so that final congressional action can be completed before the Easter recess.

Mr. O'HARA. Mr. Speaker, I rise in support of the amendment offered by the distinguished gentleman from Pennsylvania (Mr. FLOOD).

I usually follow the lead of the gentleman from Pennsylvania, because his deep understanding and compassion habitually leads him to the right conclusions when it comes to funding the programs under the jurisdiction of his subcommittee. He and I may differ from time to time on the details of an appropriation, but I am delighted to be, once again, able to follow his leadership.

As the new chairman of the Special

Subcommittee on Education, which has jurisdiction over higher education programs, I have been confronted with hundreds of letters from institutions, from parents, and from students, expressing grave concern over the inadequacy and, indeed, the illegality, of the administration's budget proposals for student assistance for fiscal years 1973 and 1974.

There has been enormous uncertainty and concern stirred up in the higher education community—and by that overworked phrase, I especially include the homes of the parents who pay most of the shot for higher education—by the publication of the fiscal year 1974 budget. That proposal, as has been described already, asked the Congress for license to ignore the mandatory requirements of the law in funding student assistance programs. Seeking to fund all student assistance programs within the confines of an arbitrary ceiling, the budget requested $622,000,000 for basic opportunity grants—a figure which would have enabled the BOG program to get off to a rather good start, though not a full-funding level. For college work-study, which the law required be funded at no less than $238 million, the budget requested $250 million—a cutback from the previous academic year, but at least a figure within the confines of the law. But in spite of the law's wholly unequivocal demand that the supplementary educational opportunity grants be funded at no less than $130,093,000 and that the national direct student loan funds be capitalized at no less than $268 million, the budget requested zero for these programs.

The response from higher educators, from students and from their families was immediate, perceptive, and unanimous. With one voice they pointed out that the budget was neither adequate nor lawful, and urged that it be made to be both.

Further, in recent days we have been hearing from every quarter the additional plea that action be taken soon, so as to enable schools, students and families to make their plans for the fall. On April 3, the subcommittee which I chair sent to each member of the Appropriations Committee a letter urging that immediate action be taken on an appropriation bill for student assistance for fiscal year 1973, to make funds available for the fall.

The amendment of the gentleman from Pennsylvania meets the demand for timeliness, and it meets the demand that the funds be appropriated according to the requirements of the law. It does not meet, and given the President's view that his budget is a sort of sacred cow, not to be touched by the hand of the mere Congress, probably cannot meet the requirement that all programs be funded at even a workable level, much less at the level of full response to demonstrable need.

The funding level for SEOG's, for college work study and for capitalization of the direct student loan fund are at the 1972 level. This does not take into account inflation and other increases in costs, but it is something. The basic opportunity grants are funded at no more than the level needed for them to get started, but the funds to get them off the ground are there.

I hope, Mr. Speaker, that the House will agree to the amendment of the gentleman from Pennsylvania, and that the Senate will quickly follow suit. Speedy action, of course, is needed on the veterans readjustment provisions of House Joint Resolution 496, and equally speedy action is needed on the student assistance program. I look forward to quick action on them both.

Mr. PERKINS. Mr. Speaker, initially, I want to congratulate the Appropriations Committee—especially the Labor-Health, Education, and Welfare Subcommittee, chaired by our distinguished colleague, the gentleman from Pennsylvania (Mr. FLOOD), for having taken the initiative in this matter. The uncertainty and confusion with regard to student assistance programs brought about by the administration's budget request must be rectified, and this amendment is a major step in that direction.

On balance, the arguments for this amendment far outweigh the reservations which many of us have. First the pluses—

One. In many respects, the most important and significant aspect of our action here today is that the national direct student loan program will for the first time be forward funded. This action places all student assistance programs on the same funding cycle—a goal which many of us have sought for more than 5 years;

Two. A total of $330,000,000 will be available for grants to needy students—much more than we have had for grants in previous years; and

Three. Most importantly, with enactment of this measure, the widespread confusion and uncertainty presently experienced by parents, students and college administrators will be cleared up.

Mr. Speaker, the amounts proposed for the four student aid programs are, however, much less than what is needed when measured against the estimated institutional requests.

For the student loan program, it is estimated that $641,000,000 will be requested by colleges for the next academic year. Under the amendment, only $293,000,000 will be available. Certainly, Mr. Speaker, at least this much should be supported by every Member.

It is estimated that a total of $568,000,000 will be requested by institutions for the college work-study program. $270,200,000 will be available under the amendment.

The amount provided in the amendment for grants is likewise far below what is justified. It is estimated that institutions would have requested in excess of $500,000,000 for the old EOG program. This gives us an idea of what the need will be for the new basic grant and supplemental grant programs as authorized by the 1972 amendments. The $330,000,000 the amendment provides in total for grants is by any measure therefore far below what is needed.

And most disturbing, Mr. Speaker, only $122,100,000 will be available for the basic opportunity grant program. Some have argued that it is too late to effectively implement the BOG program next year. All the information I have indicates that it can and should be implemented in the next academic year.

Mr. Speaker, in the debate today there have been a number of remarks about the new BOG program. I feel I would be remiss in my responsibility if I did not provide some clarification with respect to the BOG program. First, let me point out that the BOG's were never intended to be the sole program of help for those who are in need of assistance to attend college. It was designed to be the foundation upon which other programs could be added.

As such, financial aid officers play a very, very important role. The 1972 authorizing act carefully provides the necessary flexibility to allow financial aid officers to adjust programs to the specific needs of particular students. The supplemental grant program, the college work-study program and the direct student loan program are available to correct any inequities a national standard may impose on a given student. By and large, the standards in the basic program are good and equitable concepts. Given advance appropriations, students will be able to look at a relatively simple form and determine the amount of aid they will be able to obtain under the BOG program.

The basic grant will provide a real incentive—more than any of the traditional programs—for students with academic potential but insufficient resources. The program is not subject to the inequities of a State allocation formula nor to the variations in enrollment as are the college-based programs.

Mr. Speaker, there will never be unanimity on a schedule for determining the amount a family is expected to contribute toward a college education. Obviously, in any program where there is a national standard, the first year of operation will provide valuable insights so that there can be subsequent adjustments based on experience. For purposes of the first year, most of the testimony we have gathered indicates that the Office of Education's schedule of family contributions is reasonable enough to get the program going and to effectively evaluate it. The schedule which has been the target of attack today is not greatly divergent from the current traditional national systems which have evolved in the last 15 years. In terms of the results there is not a wide gap.

Mr. Speaker, there is no question that the $122,000,000 proposed here for basic grants is justified. There is no question that this amount can be easily utilized during the next academic year. Far more than this is justified, and far more than this could easily be utilized.

Mr. Speaker, the amounts are too little but we do not have at this juncture the luxury of time. This is not the only opportunity we will have to consider financing of student aid programs next year. But this is an opportunity we cannot allow to pass. Accordingly, I urge the House to adopt the amendment.

Mr. VEYSEY. Mr. Speaker, I rise to ask for strong support for the amendment of the gentleman from Pennsyl-

vania to add $872 million for student aid to this supplemental appropriation.

This is a matter of urgency affecting tens of thousands of present college students and new college students next fall, as well as the welfare of all of our institutions of higher education.

The financial magnitude of this amendment has caused me, and I know many of my colleagues, to carefully consider its necessity and wisdom. But in final analysis, it will not enlarge Federal spending. It is well within the budget plan, and we must appropriate it sooner or later to keep faith with our commitment to higher education and with purpose in passing the Higher Education Act of 1972.

Because the Congress last year changed the delivery system for student aid, confusion and uncertainty today exist throughout the Nation as to financial assistance for students in September 1973. To settle this uncertainty it is necessary to act now so that the machinery can move to make commitments to deserving scholars and to deliver them financial support by next September.

I urge this addition to the bill. It is vital to our educational system.

Mr. REID. Mr. Speaker, I rise in support of House Joint Resolution 496, and especially the amendment offered by the distinguished chairman, DANIEL FLOOD.

The Higher Education Act of 1972 specifies that no funds are to be available for basic opportunity grants unless and until the educational opportunity grant program, the college work-study program, and the national defense student loan program are funded at existing levels. This provision was signed into law on June 23, 1972.

On January 29, 1973, the President submitted his budget request to Congress. This document proposes funding the BOG at a level of $622 million, while eliminating the EOG, cutting $20 million from the work-study program and $269 million from the NDSL program. This request totally ignores the requirements of the Higher Education Act. What is more, it will bring extreme hardship to bear on middle income students who do not qualify for a BOG as well as to all students who will need additional assistance in order to attend high cost institutions. With the BOG limited to one-half the cost of education, there must be additional assistance available.

The Flood amendment, based on over 200 pages of hearings, is totally consistent with the Higher Education Act. It provides funding levels for EOG, college work-study and NDSL, consistent with last year's levels and provides an additional $122,100,000 for the new basic opportunity grant.

Swift passage of this amendment is critically needed by colleges and students in New York and throughout the country who are left in a state of doubt and confusion over which education programs will be funded.

Mr. QUIE. Mr. Speaker, the chairman's amendment leaves me with mixed emotions.

My first emotion is one of gratitude to the chairman of the HEW-Labor Subcommittee. We have already progressed beyond the date when institutions should have known what Federal student aid money they have for next fall. So I commend the chairman on incorporating student assistance programs into this emergency supplemental bill.

My other emotion is one of deep disappointment. I believe the amendment includes unrealistically high amounts for existing programs at the expense of the most significant and most equitable student assistance program Congress has adopted—the basic education opportunity grant program.

Not only has the committee appropriated the supplemental educational opportunity grants—which the administration did not ask for—to the statutory requirement of $130 million before the BOG's are funded, but the total is $210 million which is $10 million over the amount authorized for this new program. I believe it should be recognized that, while the SEOG is similar to the old EOG, it is a new program. I certainly would urge the other body to correct this problem and put more money into the BOG.

The President recommended $622 million for this program. To meet the full entitlements to which approximately 1.5 million students deserve would take roughly $1 billion appropriation. The amount in this amendment is far, far below the need in relation to the amounts compared to the proposed amounts for the other three programs in relation to the total need that exists for them.

I do agree that we should keep at the budget total for student assistance. It is an increase over the year before—which is something we cannot say for many programs.

I intend to vote for this amendment. But not because I endorse the distribution of funds among the individual programs. I support the amendment because to delay appropriation for student assistance would be a major disservice to hundreds of thousands of students, their parents, and close to 3,000 education institutions.

Mr. BRADEMAS. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, the crisis outlined by the distinguished gentleman from Pennsylvania is one which has become familiar to all of us.

Literally millions of American college students and their parents are agonizing over the prospect that the Federal student assistance programs which have enabled them to help meet the costs of higher education in the past might suddenly be cut off.

This crisis of uncertainty is having its effect in every State, in middle income as well as low-income homes, and in private as well as public institutions of higher education.

The crisis need not have arisen, Mr. Speaker, if the current administration were inclined to pay even a modicum of respect to laws enacted by Congress.

The Education Amendments of 1972, which is the legislative authority for the student aid programs, expressly requires that supplemental educational opportunity grants, college work-study grants, and national direct student loans be funded at minimum levels before payments under the new basic educational opportunity grant program may be made.

This requirement was not included in the law because of any ambivalence toward the basic educational opportunity grant program on the part of the conferees of both houses who considered the measure. On the contrary, a majority of the conferees felt, as I did and still do, that the BOG program was an excellent innovation and a much needed one.

The conferees felt at the same time, however, that the then existing programs of student aid had served the Nation well and deserved to be continued.

Unfortunately the present administration does not share this view, and the President has submitted what amounts to an "illegal" budget for student aid, proposing that the BOG program be funded without any money being made available for supplemental educational opportunity grants and national direct student loans.

Here, Mr. Speaker, we have again a demonstration of the chronic inability of this administration to understand the philosophy and intent of the student aid programs, as well as the intent of Congress.

Let me say again for the record that none of the four student aid programs currently authorized by law was intended by Congress or its legislative committees to be in itself an adequate response to the needs of all American college students. Rather, the four Federal student aid programs are intended to make up a "package," each program having its own attributes and each designed to meet a specific kind of need.

Basic educational opportunity grants are intended to help every college student whose family cannot contribute at least $1,400 annually to their son or daughter's education; the amount of the grant is conditioned, among other things, on the extent to which a given family's ability to contribute falls short of $1,400.

Supplemental educational opportunity grants are intended—as the name of the program suggests—to "supplement" the resources of students who, but for a supplemental EOG, would be unable to pursue a course of study at a given institution of higher education.

College work-study grants are intended to provide needy students with an opportunity to earn funds for their education by working at a job at their college or university.

And finally, national direct student loans are intended to provide additional resources to students who are not able to obtain sufficient funds from other sources to meet the costs at the institution they attend.

All of these programs—individually and in various combinations—are intended to provide needed assistance to millions of college students from diverse backgrounds attending many different types and kinds of institutions. Some students might qualify for only one of the programs—other students might use two, three or all of them.

Thus it is essential, Mr. Speaker, that

all four of these programs be funded, for to do otherwise would leave out a necessary part of the comprehensive approach to student aid needs contemplated by the Education Amendments of 1972.

I regret, Mr. Speaker, that the committee has not seen fit to recommend higher amounts for these programs and especially for the basic educational opportunity grant program.

The evidence of 3 years' hearings in the Committee on Education and Labor is that existing student aid programs are, if anything, vastly underfunded and need a considerable infusion of additional money if total need is to be met.

Moreover, it is generally agreed that if the basic educational opportunity grant program is to have a real chance to prove itself, an amount considerably in excess of the $122 million recommended by the committee will be necessary to fund even a threshold effort.

The immediate educational future of millions of American students depends upon immediate approval of at least a continuation of the current level of spending for student aid, however, and I will vote for the amendment as it stands.

For to allow the present condition of uncertainty to continue would not be in the best interests of American students and their families, and indeed, might cause irreparable damage to the lives of millions of young people. We must act now, and the committee recommendation will at least allow partial resolution of what could turn into a very tragic situation.

Mr. BROWN of California. Mr. Speaker, I heartily support the amendment of the gentleman from Pennsylvania (Mr. FLOOD) to House Joint Resolution 496 to provide funds for the student aid program for the next school year. I commend him and members of his subcommittee for their initiative in bringing this matter before us.

We are all aware of the hiatus which currently exists regarding financial assistance for college students. Regardless of the merits of the new basic opportunity grant program, it would be impossible to put it into effect for the next school year. A continuation of funding for the existing programs is vitally necessary if the plans of thousands of students for their next year's education are not to be severely disturbed.

Not only have many students communicated with me on this matter, but the presidents and student financial aid officers of most of the institutions of higher education in my district have met with me to express their concern over the problem. It is a problem which is particularly acute due to financial problems being faced by the colleges. For example, the Association of American Colleges informed me that 60 percent of their members responding to a survey reported that they were suffering under worsened financial circumstances in comparison to 2 years ago. These financial stringencies then carry over to the students who have that much less aid for college sources. For the students to be faced with inadequate aid from the colleges and inadequate aid from the Federal Government is too much to impose on them.

One college student from my district wrote to me to say:

I am painfully aware of how much President Nixon's proposed budget cuts in the area of National Student Defense Loans (so as to eliminate them entirely) would affect the academic future of many, myself included. I trust you have enough faith in the collegiate youth of today, a large number of whom could not otherwise afford to attend without these loans, to believe this program worthy of being continued and will act to defeat this budget on these grounds.

I have faith in the collegiate youth of today but it is only when the leaders of this body, such as the distinguished gentleman from Pennsylvania and his colleagues on the Appropriations Committee, take action to bring this legislation before us that we can act in accordance with our expressed intentions.

Therefore, I wish to offer my thanks again, not only for myself and the college administrators of my district, but for the tens of thousands of young men and women who will be able to make plans for continuing their education.

I urge my colleagues to support the Flood amendment.

Mr. MAHON. Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. FLOOD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois: On page 2, after line 4, add the following:

"GENERAL SERVICES ADMINISTRATION

"PROPERTY MANAGEMENT AND DISPOSAL SERVICE

"Operating Expenses

"For an additional amount for 'Operating expenses' for the national reserve established by the National Industrial Reserve Act of 1948 (50 U.S.C. 451–462), $1,800,000, to remain available until expanded."

Mr. GROSS. Mr. Speaker, I reserve a point of order on the amendment.

The SPEAKER pro tempore (Mr. BOLLING). The gentleman from Iowa (Mr. GROSS) reserves a point of order.

Mr. ANDERSON of Illinois. Mr. Speaker, the amendment which I am offering to House Joint Resolution 496 is simple in its language and miniscule in the amount it appropriates—some $1.8 million—and yet it is of great significance and importance to some 35,000 youths and disadvantaged persons taking vocational training courses in some 400 schools in 44 States across this land. For the amendment I am offering would restore funds under the General Services Administration for the national industrial equipment reserve, which, among other things, loans its machine tools to schools to train these young and disadvantaged people.

This "tools for schools" program, as it is called, has been ongoing since the early 1950's, and has not only been successful in training hundreds of thousands of people for useful and productive lives, but is one of the few programs I know of which actually saves the Government money. The reason it saves the Government money is quite simple: if these reserve machine tools were not on loan to schools, the Government would be picking up the tab for the storage and maintenance. And, according to figures supplied to me by the General Accounting Office and obtained from the Department of Defense, it could cost the Government up to an additional $3.8 million per year to store all the machinery now on loan to schools—or over twice as much as it now costs to operate the entire NIER program.

The necessity for the amendment I am offering today grows out of a difference between our appropriations committee and the administration last year as whether to maintain NIER under the GSA budget or shift it to the DOD budget. Because this difference was not resolved before the enactment of the appropriations bill which included GSA, and because our committee, wisely, I think, did not feel the Defense Department should be involved in a school loan program, NIER literally fell between the slats, even though almost everyone agrees on its value and success and favors its continuation. As a result, GSA was left with no funds to operate the program in fiscal 1973 and in December was forced to freeze all pending school loan applications for equipment and close down its two main storage facilities in Terre Haute, Ind., and in Burlington, N.J.

This literally is an urgent supplemental request I am making because, at this very moment machine tools valued at $46 million are in danger of rusting away in those two storage facilities because GSA was forced to turn off the dehumidifiers last December and withdraw all its security and maintenance personnel. According to the General Accounting Office, the cost of replacing this machinery would be two to two and one-half times its acquisition cost, or between $92 and $115 million. So, we are faced with the possibility of a machine tool reserve crisis if this machinery goes unattended much longer.

On top of this, we must consider the fact that the many schools which have had loan applications frozen are unable to train the additional people contemplated if they had this machinery. And furthermore, those 400 American schools which currently have NIER equipment on loan face the eventual prospect of having this machinery withdrawn because GSA can no longer make the necessary periodic inspections. According to the figures supplied me by the GAO, it would cost these schools between $82 and $103 million to replace this machinery if it is withdrawn. Given the fiscal crunch in school districts across the Nation, this obviously would be an impossible financial burden, and it could only mean a substantial drop in their manpower training capabilities if they could not replace this machinery at their own expense.

Now, I must concede here that I am

drawing the worst possible contingencies, but at the same time we must recognize that these are very real possibilities so long as we allow NIER to hang in this state of limbo it has been in since last December.

I am aware of the fact that the House Appropriations Committee has asked the General Accounting Office to conduct a further study into the gravity of this situation. But I must remind my colleagues that while the GAO is studying, millions of dollars worth of machinery is rusting and thousands of students are being denied training on equipment schools would otherwise now have if their loan applications had not been frozen.

In conclusion, Mr. Speaker, let me say that my amendment is consistent with the position taken by our Appropriations Committee last year in support of retaining NIER under the GSA budget. As Chairman MAHON indicated in a letter to me dated December 29, 1972—

The committee has no objection to the funding of such programs in the appropriate departments or agencies, such as the General Services Administration.

That is precisely what is being called for in this amendment which I am offering, and I urge all Members of this body to support the position of the chairman, myself, and the 86 cosponsors of my amendment. I urge adoption of the amendment, and request that the letters from Comptroller General Staats, and Chairman MAHON and the list of cosponsors be printed at this point in the RECORD.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., January 15, 1973.

Hon. JOHN B. ANDERSON,
House of Representatives.

DEAR MR. ANDERSON: In your letter dated December 18, 1972, you asked the General Accounting Office to provide two cost estimates relating to the potential impact of discontinuing the school loan program of the National Industrial Equipment Reserve (NIER). Specifically, you asked us to estimate (1) the additional cost to the Government if machine tools on loan to vocational schools from the NIER were recalled, stored, and maintained in Government supply depots and (2) the cost to vocational schools to replace these tools.

The National Industrial Reserve Act of 1948 (Public Law 80-883) established the NIER as a reserve of machine tools for use in time of national emergency. The NIER consists of 12,249 machine tools having an acquisition cost of $89,221,000 as of September 30, 1972. Tools on loan to schools totaled 8,149 with an acquisition cost of $41,161,000; the remainder—4,100 with an acquisition cost of $48,060,000—are stored at Department of Defense (DOD) depots and General Services Administration (GSA) facilities.

DOD has overall responsibility for the NIER. GSA, under the direction of DOD, is responsible for storing, maintaining, leasing, and disposing of the reserve and for operating the school loan program.

We asked Department of Defense officials to estimate the additional cost to store approximately 8,200 tools. DOD provided us with estimated costs to store the tools in both controlled dehumidified storage and in general purpose storage on a 1- and 5-year basis. General purpose storage sites would be used until dehumidified control storage becomes available. The estimated amounts included costs for receiving and storing, preservation, storage space, surveillance, and represervation.

The estimated cost to store approximately 8,200 tools in controlled dehumidified storage on a 1-year basis is about $1 million. On a 5-year basis the cost is estimated to be $2 million. The costs differ because of increased inspections and additional storage cost required during the 5-year period.

The estimated cost of storing the tools in general purpose storage on a 1-year basis is about $1.2 million and $3.8 million on a 5-year basis. The cost of general purpose storage increases on a 5-year basis because of additional storage costs, surveillance costs, and tool represervation costs. The general purpose storage estimate presupposes that all 8,200 tools would need to be represerved once or twice during a 5-year period.

While DOD has estimated the costs to store the tools, DOD and GSA officials told us that, at the present time, adequate storage space is not available.

Concerning the cost to replace the tools, GSA and DOD officials estimated that the cost of replacing such equipment with new equipment would be from 2 to 2½ times the acquisition cost. On the basis of the acquisition cost of approximately $41,000,000, we estimated that the schools would have to pay between $82 and $103 million to replace the NIER equipment in their custody.

We trust that this information is responsive to your request. We will not distribute this report further unless we obtain your agreement or you publicly announce its contents.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., December 29, 1972.

Hon. JOHN B. ANDERSON,
U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR JOHN: This is in response to your letter of the 15th with reference to the National Industrial Equipment Reserve. I have considered the request of the Department of Defense to utilize funds to bring NIER under the Department's General Industrial Equipment Reserve. I could not concur in their proposal.

Congress clearly denied the request of the Department of Defense to use defense funds in this program. My response made it clear that the Committee has no objection to the funding of such programs in the appropriate departments or agencies, such as the General Services Administration, the Department of Labor and the Department of Health, Education, and Welfare. However, we do not feel that this is an appropriate charge to the Department of Defense.

I hope that the Executive Branch, which created this problem by arbitrarily changing the source of funds for the program, will move expeditiously to maintain whatever part of the program is required.

I am enclosing for your further information a copy of my response to Deputy Secretary Rush.

Sincerely,

GEORGE MAHON,
Chairman.

HOUSE COSPONSORS OF NIER URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. Quie, Mr. Brademas, Mr. Gerald R. Ford, Mr. James V. Stanton, Mr. Adams, Mr. Alexander, Mr. Badillo, Mr. Bergland, Mr. Bevill, Mr. Boland, Mr. Buchanan, Mrs. Chisholm, Mr. Cohen, Mr. Danielson, Mr. Davis of Georgia, Mr. Dellenback, Mr. de Lugo, Mr. Derwinski, Mr. Forsythe, Mr. Fraser, Mr. Guyer, Mr. Harrington, Mr. Harsha, Mr. Ichord, Mr. Kemp, Mr. Johnson of California, Mr. Latta, Mr. McClory, Mr. McCollister, Mr. Mailliard, Mr. Mayne, Mr. Meeds, Mr. Moakley, Mr. Mollohan, Mr. Mosher, Mr. Moss, Mr. Meyers, Mr. Nelsen, Mr. Pepper, Mr. Peyser, Mr. Podell, Mr. Price of Illinois, Mr. Riegle, Mr. Roe, Mr. Roybal, Mr. Sarbannes, Mr. Scherle, Mr. Seiberling, Mr. Stuckey, Mr. Symington, Mr. Thompson of New Jersey, Mr. Thone, Mr. Thornton, Mr. Williams, Mr. Charles Wilson of Texas, Mr. Wolff, Mr. Wyman, Mr. Zwach, Mr. Frenzel, Mr. Culver, Mr. Landgrebe, Mr. Veysey, Mr. Davis of South Carolina, Mr. Hammerschmidt, Mr. Clark, Mr. Cleveland, Mr. Diggs, Mr. Drinan, Mr. Esch, Mr. Gude, Mr. Hinshaw, Mr. Melcher, Mr. Stokes, Mr. Whitehurst, Mr. Yatron, Mrs. Burke of California, Mr. Conte, Mr. Coughlin, Mr. Mallary, Mr. Rodino, Mrs. Grasso and Mr. Sarasin.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 20, 1973.

Hon. JAMES V. STANTON,
House of Representatives.

DEAR MR. STANTON: In your letter dated January 12, 1973, you asked for information on the additional costs the Federal Government would incur in maintaining the National Industrial Equipment Reserve (NIER) if the school loan program were terminated. You questioned whether terminating the school loan program would result in direct costs to the Government which would exceed the cost now incurred to operate the program.

Of the $1.8 million budgeted for NIER by the General Services Administration (GSA) in fiscal year 1972, about $500,000 was budgeted for the school loan program according to GSA officials. About $1.3 million was budgeted for other functions, such as storage costs, packing, handling, maintenance, and warehouse operations.

There were about 8,200 pieces of machinery on loan to schools as of September 30, 1972. Department of Defense (DOD) officials furnished us with cost estimates for storing and maintaining these 8,200 pieces of machinery, if recalled from the schools. DOD provided these estimates for both controlled humidified storage and general-purpose storage for 1- and 5-year periods. General-purpose storage sites would have to be used until controlled humidified storage becomes available. DOD's estimate is enclosed.

Our reply is directed to the six questions listed in your letter.

1. *What costs would be incurred by the Government to maintain this machinery in working order if they were removed from the Schools?*

To maintain the machinery in working order, the equipment must be preserved and properly stored. Controlled humidified storage offers the best protection for keeping machinery in working order. The total cost estimated for this type of storage for a 1-year period is $1 million and for a 5-year period is $2 million.

General-purpose storage is more expensive than controlled humidified storage since additional preservation and more frequent maintenance inspections are required. The estimated cost for general-purpose storage for a 1-year period is $1.2 million and for a 5-year period is $3.8 million.

2. *Will the machinery deteriorate if placed in storage? If so, what will be the loss?*

Deterioration of equipment depends on the adequacy of the storage facilities. Deterioration could be held to a minimum if the equipment is preserved and stored in controlled humidified or general-purpose storage sites. If the machinery were to be left untreated and stored in inadequate facilities, deterioration would occur more rapidly. If the machinery were improperly stored, the loss could equal the fair market value of the machinery less the scrap value.

We were unable to estimate the fair market value of the machinery on loan to the schools; however, the acquisition cost of this equipment was estimated at $41 million.

3. *Do adequate storage facilities exist? What costs will be incurred to store?*

DOD and GSA officials told us that, adequate storage space is not presently available for storing the 8,200 pieces of equipment. Costs for storing this equipment would differ depending on the type of storage selected. The costs under the alternatives are shown in the answer to the first question and in the enclosure.

4. *What other costs would be involved?*

Included in DOD's cost estimate of storing the equipment are estimates for receiving, preserving, inspecting, and represerving costs. Costs for physical protection, such as security while in storage, are included in the cost estimate of storage space.

Represervation costs, if the machinery was stored in general-purpose space for more than 1 year, are estimated at about $1.3 million over a 5-year period. The general-purpose storage estimate assumes that, during a 5-year period, all 8,200 pieces of equipment will need to be represerved several times.

5. *How much would it cost the schools to replace the tools?*

It would be difficult for the schools to replace the equipment currently on loan to them because of the limited supply of such equipment in the private sector. GSA and DOD officials estimated that replacing the equipment on loan with new equipment would cost between 2 and 2½ times the acquisition cost of the equipment. Therefore, on the basis of an acquisition cost of approximately $41 million, the estimated replacement cost would be $82 to $103 million.

6. *Who pays the cost of removing and shipping tools now in school custody?*

If all the machinery on loan to the schools was recalled, the cost for transporting the machinery to a site or sites designated by the Government would have to be paid by the schools. Currently there are 399 schools in 44 states which have NIER tools. The cost to transport industrial plant equipment depends upon the density and weight of the equipment being shipped, the distance to be transported, and the mode of transportation selected. Because of the various unknowns, we are unable to estimate the costs the schools would incur in returning loaned equipment to the Government.

We trust this information is responsive to your request. We do not plan to distribute this report further unless you agree or you publicly announce its contents.

Sincerely yours,

ELMER B. STAATS,

Comptroller General of the United States.

ENCLOSURE I

ESTIMATED COSTS FOR STORING APPROXIMATELY 8,200 PIECES OF MACHINERY

	Controlled humidified storage		General-purpose storage	
Costs	1 year	5 years	1 year	5 years
Receive and store	$656,000	$656,000	$656,000	$656,000
Preservation	123,000	123,000	328,000	328,000
Storage space	247,500	1,237,500	192,500	962,500
Surveillance	12,875	64,370	109,429	547,145
Represervation				1,312,000
Total	1,039,375	2,080,870	1,285,929	3,805,645

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

Mr. ANDERSON of Illinois. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, did the gentleman say this is budgeted or not budgeted?

Mr. ANDERSON of Illinois. It is not in the budget for the reason I described, that there was this dispute as to whether it should be carried in the Department of Defense budget or the GSA budget. I do not know of any objection to the program. It has been going on for many years. I think they simply left it up to the House to work its will as to where this appropriation should lie, whether in the Department of Defense or the GSA. I agree with the gentleman from Texas (Mr. MAHON) and his committee that it does not belong in the Department of Defense budget and it ought to be logically in the GSA. This would simply put it there and make sure these machine tools continue to be available to the training schools.

Mr. GROSS. Mr. Speaker, I thank the gentleman from Illinois.

Mr. Speaker, I withdraw my point of order.

Mr. MAHON. Mr. Speaker, this proposal has been under consideration by the Appropriations Committee and we had anticipated giving the matter attention in the main supplemental bill to be reported after Easter. But I understand it may be a matter of some urgency. We have no objection to this.

Mr. JAMES V. STANTON. Mr. Speaker, will the gentleman yield?

Mr. MAHON. Mr. Speaker, I yield to the gentleman from Ohio (Mr. JAMES V. STANTON).

Mr. JAMES V. STANTON. Mr. Speaker, several months ago I learned of a dispute involving the administration and the House and Senate Appropriations Committees which may result in the termination of a very worthwhile program under which machine tools in the Defense Department's National Industrial Equipment Reserve are loaned to schools for use in vocational education programs. Because this program has not yet been funded for fiscal year 1973, a freeze has been placed upon all new tool loans, and unless a settlement is reached in the near future, the loan program will be completely dissolved. The Brooklyn, Ohio, school system in my district is one of those adversely affected by this freeze.

The dispute arose last year when the administration suggested that the $2 million budget for the machine tool loan program be shifted from the General Services Administration, where it had been for many years, to the Department of Defense. While the Senate Appropriations Committee approved this change, the House committee did not, and so the program is now in limbo.

I believe it is senseless to have these machine tools just lying idle and gathering dust at a time when they could be put to a highly useful purpose in helping to educate those interested in the machine tool trades. For this reason, I have attempted to inform the interested parties of the seriousness of the situation, and to urge that action be taken to insure that the program is continued.

I would now like to insert into the RECORD copies of several letters I have sent and received on this matter, and an article and an editorial on it that appeared in the Cleveland Plain Dealer:

[From the Cleveland Plain Dealer, Dec. 15, 1972]

BUDGET BOO-BOO

VO-ED SHOPS, INCLUDING ONE HERE, SUFFERS

(By Robert J. Havel)

WASHINGTON.—A budgetary blooper by the White House and bureaucratic bungling have imperiled a low-cost federal program that each year helps train 35,000 students and poor people to become skilled machinists.

A Cleveland-area high school is one of the first victims.

The program, an offshoot of a reserve of machine tools the Defense Department maintains for a national emergency, is in danger of dying because of a goof by the White House's Office of Management and Budget (OMB) and infighting between defense and the General Services Administration (GSA), plus sparring in the appropriations committees on Capitol Hill.

Nowhere, it seems, in a federal budget of more than $250 billion can be found the less than $2 million needed for the program.

The National Industrial Equipment Reserve, created in 1948, was used extensively in the Korean War by defense-supporting industries but not much in the Vietnam war.

Since 1958, defense has had a program whereby tools in the reserve were lent to vocational training schools. The program has been administered by GSA, the government's housekeeper, at an annual cost of $1.8 million.

The government got free storage of tools, while the schools had the free loan of costly equipment. The schools had to pay only for shipping the tools and their upkeep. The tools could be recalled in an emergency by the Defense Department.

The pool contains some 11,000 tools worth about $80 million. About 8,000 of these, worth some $35 million, are on loan to 399 institutions in 44 states. Forty more schools, including Brooklyn (O.) High School, were awaiting shipments when the ax fell.

Early this year, in an effort to tidy up the budget, OMB decided that the program was more properly a function of the Defense Department than of GSA but in preparing the budget OMB did not include the program anywhere.

"OMB goofed," said a source close to the House Appropriations Committee.

In testimony before the defense appropriations subcommittee, defense sought to take over the program. There were no funds in its budget request to pay for it, but the department said it would scratch up the money somewhere.

"Privately, though," the committee source said, "defense was not hepped up about taking it over. They didn't really think it belonged in the defense budget."

Neither did Rep. George H. Mahon, D-Tex., the committee chairman, and neither funds nor authority for the program were included in the House version of the defense appropriations bill.

Later efforts in the Senate to put the program in the defense budget failed.

So the program is dying and GSA is discharging 90 employes who administered it.

In response to a question, a defense spokesman at first said the tools now at schools would be recalled—which would seriously disrupt training programs. Later, however, the spokesman said the tools will remain at the schools.

"Nothing will move, because there is no money to move," he said. "We are hoping to get the money to continue to program."

Out of the program, though, is Brooklyn High School. A letter went out to Brooklyn school officials and 39 others in a similar fix telling them the program had ended.

William Pearce, director of vocational education at Brooklyn, wrote Rep. James V. Stanton, D-20, Cleveland, citing the hard-

ship that the discontinuation worked on the school.

The school had applied last May for tools worth $30,000 and was to pick them up last month.

Pearce said the equipment was "desperately needed" and its lack would "seriously deter" his vocational education program.

Stanton wrote to OMB protesting the dropping of the program. The program, he said, "would seem to further the work ethic about which the President has often spoken."

[From the Cleveland Plain Dealer, Dec. 22, 1972]

REVIVE VO-ED TOOL LENDING

U.S. Reps. William E. Minshall Jr., R-23, and Louis Stokes, D-21, should use their influence in the coming session of Congress to help revive a program that allows schools to borrow Defense Department reserve tools.

Both serve on the House Appropriations Committee and Minshall on a Defense subcommittee that will consider the matter when the 93d Congress convenes next month.

The program was discontinued this year through a bureaucratic mixup between the White House's Office of Management and Budget (OMB), the Defense Department and the General Services Administration (GSA).

Operated at an annual cost of less than $2 million, the program enabled vocational training facilities to borrow the tools by paying transportation costs. The government, in turn, received free storage and maintenance for the tools. In the event of an emergency, the tools could be recalled.

The program, in operation since 1958, has been used by 339 institutions in 44 states. The Cleveland suburb of Brooklyn was one of 40 more schools scheduled to participate in the program this year. Without the tools, Brooklyn school officials say, their educational efforts will be seriously hindered.

It would be foolish to end the program because of this one instance of intergovernmental bungling. We see no good reason why the confusion cannot be straightened out and the program made operational again. Congressmen Stokes and Minshall can be instrumental in bringing this about.

BROOKLYN CITY SCHOOL DISTRICT,
BOARD OF EDUCATION,
Brooklyn, Ohio, November 7, 1972.

Hon. JAMES V. STANTON,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN STANTON: We need your help!

We had scheduled an appointment to visit DIPED-SOP (NIER) at the Defense Industrial Plant Equipment Center in Memphis, Tennessee last Monday, November 6, for the purpose of screening the inventory and selection of available excess property for loan to the Brooklyn High School Vocational Department. This agency is funded through General Services Administration Property Management and Disposal Service. Mr. W. G. Mears, Chief, Management Support Office, sent us a letter of notification that the arrangements were canceled because all NIER functions have been suspended due to a cut-off of funds.

Can you enlighten us about the problem? We very desperately need this equipment. When we set up our school budget for next year, we were anticipating acquiring an estimated $30,000.00 worth of excess property for use in our Vocational Education Machine Trades Program.

We here in Brooklyn have introduced a very fine vocational education program that is now in its third year of operation. Our community, as you know, is made up primarily of working class people who are vitally interested in having their children receive vocational education. Close to 50% of Brooklyn junior and senior students are currently enrolled in vocational programs. When our program was in the planning stage, our tax base was an expanding one. Now the reverse is true and we no longer receive funds in the former amount.

This cancellation will seriously deter the vocational education in this school district. With our curtailed budget, there is no possible way we can purchase this equipment.

Please give us whatever information and help you can.

Sincerely,

WILLIAM G. PEARCE,
Vocational Director.

DECEMBER 5, 1972.

Mr. ROY L. ASH,
Director, Office of Management and Budget, Executive Office Building, Washington D.C.

DEAR MR. ASH: Because of a dispute involving the Office of Management and Budget and the House and Senate Appropriations Committees, the program operated by the General Services Administration in which Machine tools in the National Industrial Equipment Reserve are loaned to vocational education programs in schools has not yet been funded for Fiscal Year 1973.

As I understand it, the Office of Management and Budget recommended that the approximately $2 million allotted for the program be shifted from the GSA to the Department of Defense budget. The Senate approved this shift, but the House Defense Appropriations Subcommittee refused to allow this program to become a part of the defense budget. As a result, the program has come to a halt and a hold has been placed on all machine tools loans.

My concern over this program stems from the fact that the city of Brooklyn, Ohio, a community in my District which offers an excellent vocational education program to its high school students, had been scheduled to receive some twenty pieces of desperately needed equipment from the NIER just this past month. School officials began the process of applying for the tools last May and were scheduled to visit the Defense Industrial Plant Equipment Center in Memphis on November 6 to choose their equipment when, at the last minute, their appointment was canceled.

Brooklyn's need for this machinery is great. Almost half of their junior and senior students are enrolled in the vocational education program, and their tight budget makes it impossible for them to purchase this equipment. The shame of this situation is that the machinery is available and is now sitting idle in government warehouses. How senseless it is that because of a bureaucratic dispute, this machinery is just gathering dust at a time when it could be put to a highly constructive purpose in training high school students.

In no way can these machine tool loans, which cost the government very little and benefit the nation so much, be viewed as being in conflict with any Administration policy, and indeed, they would seem to further the "work ethic" about which the President has often spoken. I am certain the Administration would not want to see so worthwhile a program curtailed because of bureaucratic in-fighting and penny-pinching in the extreme. Thus I urge that you use your influence to put an end to the disputes which have hampered these loans.

Sincerely,

JAMES V. STANTON,
Member of Congress.

THE WHITE HOUSE,
Washington, D.C., January 4, 1973.

Hon. JAMES V. STANTON,
House of Representatives,
Washington, D.C.

DEAR MR. STANTON: This refers to your letter to Mr. Ash of December 5, 1972, concerning the National Industrial Equipment Reserve program which involves loans of machine tools to vocational education programs.

The President's 1973 Budget proposed that funding for the administrative expenses of the NIER program be shifted from the General Services Administration to the Department of Defense. In reviewing the 1973 budget proposals we concluded that this was not a high priority program and should be subject to examination by the Congress as part of their action on the 1973 Defense program. The budget proposed that 16 programs be absorbed within existing Defense Department funds.

As you know, the Congress decided not to provide funds for continuation of the Industrial Reserve program. While this action was, I am sure, the result of many considerations, I would point out that Mr. Mahon expressed concern that this program appeared to be based more on vocational training objectives than on defense requirements.

In view of the congressional action leading to termination of the NIER program I understand that the Department of Defense is considering a number of alternatives relating to the future of NIER and other Defense equipment reserves. To the extent that any of the stockpiled equipment is declared excess, it could then be donated to educational institutions for vocational training programs.

I appreciate your interest in this matter.

Sincerely,

WILLIAM L. GIFFORD,
Special Assistant to the President.

HOUSE OF REPRESENTATIVES,
Washington, D.C. February 5, 1973.

Hon. GEORGE H. MAHON,
Chairman, House Appropriations Committee, H218, The Capitol.

DEAR MR. CHAIRMAN: We are among the Congressmen in whose District is located one or more vocational education programs which have applied for the use of machine tools in the National Industrial Equipment Reserve, but which did not receive any tools due to the freeze on loans effected several months ago. As you know, because of a dispute involving the Administration and the House and Senate Appropriations Committees, the machine tool loan program has not been funded for Fiscal Year 1973, and it may be completely terminated—a process that would involve recall of the 8,000 pieces of machinery now on loan to some 400 schools.

There can hardly be a more worthwhile program than this one. Under it, over 35,000 students are now having their education in the machine trades enhanced through the use of equipment made available by the Federal Government. Without the use of these tools, many vocational education programs will simply have to cut back, because this equipment is not available from any other source at a reasonable cost. Schools can no longer participate in the excess property program, and the selection of equipment available in the surplus property program is very limited, the tools that are available being low in quality. How can we seriously speak of our commitment to, in the President's words, "work, not welfare," at the same time we are terminating a program which facilitates the training of those wishing to become proficient in this important field.

To maintain the loan program, the Federal Government expends about $2 million a year. Yet because the schools involved pay the cost of transporting, installing, and maintaining the machinery they borrow, it could be that the Government will incur greater costs in terminating the program than in continuing it. But beyond this question, the shame of this situation is that the machinery is now just gathering dust at a time when it could be put to a highly constructive use.

Now the question is, who will undertake

the task, who will assume the responsibility of ensuring that the machine tool loan program is not discontinued. The Administration has so far not taken any action to save the loan program. Attached is a copy of a letter from an Administration official in which he blames Congress for the impasse, and he refers specifically to your opposition to placing the program in the Defense budget.

It is very understandable that you, in your role as chairman of the House Defense Appropriations Subcommittee, would not want to burden the Defense budget with an item that for years has been funded by another agency. However, in your role as chairman of the House Appropriations Committee you can of course act to see that the machine tool loan program is funded *somewhere* in the budget. Representatives John Anderson, Albert Quie, and John Brademas have already initiated legislation to continue funding of the program through GSA. Whether this approach or another is taken, we cannot accept the notion that Congress is helpless on the question and cannot act on its own to save so worthwhile a program. In this effort, we request your assistance.

Sincerely,

Bill Alexander, M.C., Bob Bergland, M.C., Richard Bolling, M.C., Donald Brotzman, M.C., Robert Drinan, M.C., Gerald Ford, M.C., Edwin Forsythe, M.C., Earl Landgrebe, M.C., William Mailliard, M.C., Robert Mollohan, M.C., Bill Nichols, M.C., James V. Stanton, M.C., and John Zwach, M.C.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The amendment was agreed to.

Mr. CLEVELAND. Mr. Speaker, I rise in support of the amendment providing $1.8 million for the national industrial equipment reserve to permit continuation of the "tools for schools" program.

This program provides a rare opportunity to meet more than one worthwhile objective. The Nation needs these tools on a standby basis in the interests of our military strength, while our schools can make important use of them to the enhancement of our economic strength.

The loan program helps provide our youth with skills for highly paid occupations, our communities with a skilled work force attractive to industry and the Nation's economy with an infusion of trained talent to compete in an increasingly sophisticated world marketplace.

This also represents a genuine economy, in that it would cost the Government up to $3.8 million annually to store and maintain the machinery now on loan for vocational training. The schools, in turn, would have to lay out $103 million to replacement machinery if the program were discontinued, according to the General Accounting Office.

I urge Members to join me in adopting this amendment.

Mr. MAYNE. Mr. Speaker, I rise in support of the amendment proposed by the distinguished Congressman from Illinois (Mr. ANDERSON). I cosponsored his introduction of this proposal on January 18, in the form of H.R. 2228, and I am pleased that he has offered it as an amendment to the supplemental appropriations bill before the House.

The national industrial equipment reserve—NIER—under the General Services Administration is responsible for maintaining the reserve of machine tools which would be immediately required to tool up American industry in a national emergency. It makes common sense not to let this equipment remain idle pending an emergency, if it can be usefully utilized in the meantime by institutions throughout these United States for vocational training purposes. At present, some 8,000 and more pieces of machinery are on loan by NIER to nearly 400 schools in 44 States, thereby benefiting 35,000 youths and disadvantaged or handicapped persons taking vocational training courses. Not only has this equipment been put to good use, this utilization has in effect saved the taxpayer money at both the Federal and local levels—for the General Services Administration is saved the cost of storing and maintaining this equipment, while the schools are saved the cost of buying or renting the equipment for their courses, although they assume the cost of transportation and maintenance.

The administration last year hoped to transfer the NIER program to jurisdiction of the Department of Defense, and so requested funds for the NIER equipment loan program under the Department of Defense appropriation, rather than under the budget requests for the General Services Administration. The distinguished chairman of the House Appropriations Committee (Mr. MAHON) and others on the committee disagreed with moving funds for NIER to the defense appropriation bill, and as a result the NIER program fell between the chairs, with no provision in either the Defense Department appropriations bill or in the appropriations for the General Services Administration. Certainly it was not intended that this program be abandoned—its value and need for its continuation are unquestioned. However, the NIER loan program was provided no new funds—as a result, the General Services Administration has had to close its two main storage facilities and has had to freeze all new school loan applications. Since the GSA no longer has the funds to make the required periodic inspections, we are faced with the possibility that schools now having NIER equipment on loan will have to face eventual withdrawal of that equipment.

We cannot let this happen. The amendment proposing to restore $1.8 million for the national industrial equipment reserve under the General Services Administration is urgently needed. I urge its adoption.

Mr. MAHON. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

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

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

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

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

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

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 0, not voting 66, as follows:

[Roll No. 86]

YEAS—367

Abdnor	Delaney	Ichord
Abzug	Dellenback	Jarman
Adams	Dellums	Johnson, Calif.
Alexander	Denholm	Johnson, Colo.
Anderson, Calif.	Dennis	Johnson, Pa.
	Dent	Jones, N.C.
Anderson, Ill.	Derwinski	Jones, Okla.
Andrews, N.C.	Devine	Jones, Tenn.
Andrews, N. Dak.	Dingell	Jordan
	Donohue	Karth
Annunzio	Dorn	Kastenmeier
Archer	Downing	Keating
Arends	Drinan	Kemp
Ashbrook	Duncan	Ketchum
Ashley	du Pont	Kluczynski
Bafalis	Edwards, Ala.	Koch
Baker	Edwards, Calif.	Kuykendall
Barrett	Eilberg	Kyros
Beard	Erlenborn	Landrum
Bell	Esch	Leggett
Bennett	Evans, Colo.	Lehman
Bergland	Evins, Tenn.	Lent
Bevill	Fascell	Long, Md.
Biester	Findley	Lott
Bingham	Fish	Lujan
Blackburn	Flood	McClory
Blatnik	Foley	McCloskey
Boggs	Ford, Gerald R.	McCollister
Boland	Ford, William D.	McCormack
Bowen		McDade
Brademas	Forsythe	McEwen
Breaux	Fountain	McFall
Breckinridge	Fraser	McKay
Brinkley	Frelinghuysen	McKinney
Brooks	Frenzel	McSpadden
Broomfield	Frey	Macdonald
Brotzman	Froehlich	Madden
Brown, Calif.	Fulton	Madigan
Brown, Mich.	Fuqua	Mahon
Brown, Ohio	Gaydos	Mailliard
Broyhill, N.C.	Gettys	Mallary
Broyhill, Va.	Giaimo	Maraziti
Buchanan	Gibbons	Martin, Nebr.
Burgener	Gilman	Martin, N.C.
Burke, Mass.	Ginn	Mathias, Calif.
Burleson, Tex.	Goldwater	Mathis, Ga.
Burlison, Mo.	Gonzalez	Matsunaga
Burton	Goodling	Mayne
Butler	Grasso	Mazzoli
Byron	Gray	Melcher
Camp	Green, Oreg.	Metcalfe
Carney, Ohio	Green, Pa.	Mezvinsky
Carter	Griffiths	Michel
Casey, Tex.	Gross	Miller
Cederberg	Grover	Mills, Md.
Chamberlain	Gude	Minish
Chappell	Gunter	Mink
Chisholm	Guyer	Minshall, Ohio
Clancy	Haley	Mitchell, Md.
Clark	Hamilton	Mizell
Clausen, Don H.	Hanley	Moakley
	Hanna	Moorhead, Calif.
Clawson, Del	Hanrahan	
Clay	Hansen, Wash.	Moorhead, Pa.
Cleveland	Harrington	Mosher
Cochran	Harsha	Moss
Cohen	Hastings	Murphy, Ill.
Collier	Hawkins	Murphy, N.Y.
Conable	Hays	Myers
Conlan	Hechler, W. Va.	Natcher
Conte	Heckler, Mass.	Nedzi
Conyers	Heinz	Nelsen
Corman	Helstoski	Nix
Cotter	Henderson	Obey
Coughlin	Hicks	O'Hara
Crane	Hillis	O'Neill
Cronin	Hogan	Owens
Culver	Holifield	Parris
Daniel, Dan	Holtzman	Passman
Daniel, Robert W., Jr.	Hosmer	Patman
	Howard	Patten
Daniels, Dominick V.	Huber	Pepper
	Hudnut	Perkins
Danielson	Hungate	Peyser
Davis, Ga.	Hunt	Pickle
de la Garza	Hutchinson	Pike

Poage	Scherle	Thornton
Powell, Ohio	Schneebeli	Tiernan
Price, Ill.	Sebelius	Towell, Nev.
Pritchard	Seiberling	Treen
Quie	Shipley	Udall
Quillen	Shoup	Van Deerlin
Railsback	Shriver	Vander Jagt
Randall	Shuster	Vanik
Rangel	Sikes	Veysey
Rarick	Skubitz	Vigorito
Rees	Slack	Waggonner
Regula	Smith, Iowa	Walsh
Reid	Smith, N.Y.	Wampler
Reuss	Snyder	Ware
Rhodes	Staggers	Whalen
Riegle	Stanton,	White
Rinaldo	J. William	Whitten
Roberts	Stanton,	Widnall
Robinson, Va.	James V.	Wiggins
Robison, N.Y.	Stark	Williams
Rodino	Steed	Wilson, Bob
Roe	Steele	Wilson,
Rogers	Steelman	Charles, Tex.
Roncalio, Wyo.	Steiger, Ariz.	Winn
Roncallo, N.Y.	Steiger, Wis.	Wolff
Rooney, Pa.	Stephens	Wright
Rose	Stokes	Wyatt
Rosenthal	Stubblefield	Wydler
Rostenkowski	Stuckey	Wylie
Roush	Studds	Wyman
Rousselot	Sullivan	Yates
Roy	Symington	Yatron
Roybal	Symms	Young, Fla.
Ruppe	Talcott	Young, Ga.
Ruth	Taylor, Mo.	Young, Ill.
St Germain	Taylor, N.C.	Young, Tex.
Sarasin	Teague, Calif.	Zablocki
Sarbanes	Thompson, N.J.	Zion
Satterfield	Thomson, Wis.	Zwach
Saylor	Thone	

NAYS—0

NOT VOTING—66

Addabbo	Hammer-	Nichols
Armstrong	schmidt	O'Brien
Aspin	Hansen, Idaho	Pettis
Badillo	Harvey	Podell
Biaggi	Hébert	Preyer
Bolling	Hinshaw	Price, Tex.
Brasco	Holt	Rooney, N.Y.
Bray	Horton	Runnels
Burke, Calif.	Jones, Ala.	Ryan
Burke, Fla.	Kazen	Sandman
Carey, N.Y.	King	Schroeder
Collins	Landgrebe	Sisk
Davis, S.C.	Latta	Spence
Davis, Wis.	Litton	Stratton
Dickinson	Long, La.	Teague, Tex.
Diggs	Mann	Ullman
Dulski	Meeds	Waldie
Eckhardt	Milford	Whitehurst
Eshleman	Mills, Ark.	Wilson,
Fisher	Mitchell, N.Y.	Charles H.,
Flowers	Mollohan	Calif.
Flynt	Montgomery	Young, Alaska
Gubser	Morgan	Young, S.C.

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Latta.
Mr. Rooney of New York with Mr. Bray.
Mr. Charles H. Wilson of California with Mr. Hinshaw.
Mr. Diggs with Mr. Badillo.
Mr. Flynt with Mr. Landgrebe.
Mr. Biaggi with Mr. King.
Mr. Brasco with Mr. Horton.
Mr. Addabbo with Mr. Mitchell of New York.
Mr. Jones of Alabama with Mr. Young of Alaska.
Mr. Long of Louisiana with Mr. Burke of Florida.
Mr. Meeds with Mr. Hansen of Idaho.
Mr. Mollohan with Mr. Hammerschmidt.
Mr. Nichols with Mr. Dickinson.
Mr. Morgan with Mr. Young of South Carolina.
Mr. Teague of Texas with Mr. Price of Texas.
Mr. Waldie with Mr. Gubser.
Mr. Ullman with Mr. Eshleman.
Mr. Davis of South Carolina with Mr. Whitehurst.
Mr. Carey of New York with Mr. Sandman.
Mr. Aspin with Mr. Davis of Wisconsin.
Mr. Mann with Mr. Harvey.
Mr. Montgomery with Mr. Spence.
Mr. Sisk with Mr. Pettis.
Mr. Stratton with Mr. Eckhardt.
Mr. Dulski with Mr. O'Brien.
Mr. Fisher with Mr. Collins.
Mr. Flowers with Mrs. Holt.
Mr. Kazen with Mr. Mills of Arkansas.
Mr. Milford with Mr. Runnels.
Mr. Ryan with Mrs. Burke of California.
Mr. Pryor with Mr. Podell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter and tables on the joint resolution just passed and also that they may revise and extend their remarks in connection with the amendment relating to school aid.

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

There was no objection.

LEGISLATIVE PROGRAM

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

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

Mr. O'NEILL. Will the gentleman yield?

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

Mr. O'NEILL. I am happy to inform the distinguished minority leader the program for the House of Representatives for the week of April 16, 1973, is as follows:

Monday is the Consent Calendar with three bills. Monday is also suspension day, but there are no bills.

H.R. 6168, the Economic Stabilization Act, open rule with 2 hours of debate.

Tuesday and the balance of the week: Private Calendar, no bills; suspensions, no bills.

H.R. 6168, the Economic Stabilization Act, providing we do not finish it on Monday.

H.R. 6691, the legislative appropriation bill for fiscal year 1974.

H.R. 4204, the Emergency Employment Act, subject to a rule being granted.

S. 502, the Federal Aid Highway Act, with an open rule and 2 hours of debate.

Mr. Speaker, Tuesday is a Jewish holiday, and Thursday is Pan American Day. The House will be in recess for Easter from the conclusion of business on Thursday, April 19, until noon Monday, April 30.

PERMISSION TO POSTPONE VOTES FROM TUESDAY TO WEDNESDAY

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that on Tuesday of next week, it being a Jewish holiday, votes on final passage and recommittal be postponed until the following day.

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

Mr. GROSS. Reserving the right to object, Mr. Speaker, is that on the Economic Stabilization Act only?

Mr. O'NEILL. No. I am asking that be on whatever legislation is before this body on Tuesday.

Mr. GROSS. But not limited to the Economic Stabilization Act?

Mr. O'NEILL. No.

Mr. GROSS. Mr. Speaker, I object to that.

Mr. GERALD R. FORD. Mr. Speaker, would the gentleman listen for a moment? I hope that this program is approved, but they have to get a rule and if they do not get a rule, something else might be programed and, if so——

Mr. GROSS. Further reserving the right to object, Mr. Speaker, what other legislation would we be permitted to vote on? And what is this kind of procedure going to do with respect to adjournment on Thursday?

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

Mr. GROSS. Yes, I will be glad to yield to the gentleman.

Mr. GERALD R. FORD. Perhaps the distinguished majority leader should respond to this, but if there happens to be no rule on the Economic Stabilization Act—and I do not think that is going to happen—but if it did, we might wish to take up the Federal aid to highway bill.

Mr. O'NEILL. If the gentleman will yield further, it could be that we could take up any rule.

Mr. GROSS. Without a vote?

Mr. O'NEILL. We have always had the custom of doing that on Jewish holidays, to put over votes.

Mr. GROSS. I do not recall that that has been an inflexible rule.

Mr. GERALD R. FORD. That is my understanding on Jewish holidays or any other religious day for any denomination, that has been the understanding.

Mr. GROSS. St. Patrick's Day, or any other day, Columbus Day, and all the other so-called holidays?

Mr. Speaker, since commitments have apparently been made, just for this once will I withdraw my reservation of objection.

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

There was no objection.

ADJOURNMENT OVER TO MONDAY, APRIL 16, 1973

Mr. O'NEILL. 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 Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

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

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE, AND SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday, April 16, 1973, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE FOUR REPORTS, UNTIL MIDNIGHT, APRIL 13

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight Friday night, April 13, to file four reports; one on H.R. 5452, to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended; H.R. 5451, to amend the Oil Pollution Act, 1961 (75 Stat. 402), as amended, to implement the 1969 and 1971 amendments to the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended: and for other purposes; H.R. 5383, authorizing appropriations for the Coast Guard for fiscal year 1974, and H.R. 5932, to authorize further appropriations for the Office of Environmental Quality, and for other purposes.

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

There was no objection.

PERSONAL EXPLANATION

Mr. LATTA. Mr. Speaker, on the joint resolution just passed I was temporarily out of the chamber and did not record my vote. Had I been present, I would have voted "yea."

WHY NO MERE EXTENSION OF PRESIDENT'S WAGE-PRICE CONTROLS

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

Mr. HANNA. Mr. Speaker, there are those who have been watching the current activities surrounding H.R. 6168, the Economic Stabilization Act extension, with a rather irresponsible hope that a mere extension of the current authority will ultimately come out of the legislative pipeline.

I feel constrained, in all of this turmoil, to point out that to my mind such a mere extension as requested simply will not work—and it will not work because it will be in effect a mere endorsement of the President's phase 3 and it seems abundantly clear that phase 3 is not working and will not even eventually work. Put plainly, the President needs a push and the specific powers to get back into phase 2.

As argued quite effectively by Hobart Rowen in the Washington Post of April 12, the shift from phase 2 to phase 3 was the result of poor—and, I would argue, wrong—advice on the part of the President's advisers, as illustrated by the economy's response to phase 3. Thus, as Mr. Rowen states it in the article which I include below:

Those opposed to the obvious response (to the ineffectiveness of phase 3)—an immediate freeze of all prices and wages—are searching vainly for excuses. But the President has no time to lose—and act."

I add, parenthetically, that the President therefore must act.

My concern and resultant position is measurably enhanced by a recent editorial in Business Week—which I also include below—a publication which is certainly no house organ of the Democratic Party. This editorial argues the precise route being taken in substitute legislation to H.R. 6168, which is being prepared at this very moment.

I do sincerely hope that my colleagues recognize the magnitude of this issue and will come to recognize the real concern many of us share for the immediate and long-range future of the American economy.

The articles follow:

[From the Washington Post, Apr. 12, 1973]

WAGE-PRICE CONTROLS: "NO TIME TO LOSE"

(By Hobart Rowen)

President Nixon should not only slap comprehensive wage-price controls on the whole economy—because there is no alternative—but should assign the job to someone who really believes that controls can be made to work effectively.

Treasury Secretary George Shultz is already too thin as Mr. Nixon's chief economic policy-maker and spokesman, and as the key figure in dealing with international monetary crises and world trade (where he has been doing a splendid negotiating job).

Shultz ought to be willing to step aside as the chairman of the Cost of Living Council, and let someone who has no deep-rooted philosophical abhorrence of controls take over. The program needs a salesman, not an apologist.

This is not to suggest that Mr. Nixon has been gung-ho for controls, and has been diverted by Shultz. Clearly, the President's continued dependence on Shultz shows a close rapport in their philosophy.

But as has been reflected in the President's overtures to China and Russia, he is a pragmatic politician who is open to new game plans when his old ones fail. Nonetheless, he needed a Kissinger committed to the idea that a rapprochement with former enemies was possible.

On the economic side, Mr. Nixon must now be open to all possible corrections of the inept, costly error he made January 11 when he suddenly pulled the plug on Phase II controls.

The Phase III decision represented a total misreading by Mr. Nixon and his advisers of existing economic pressures. The inflation potential in the economy was stronger than they were willing to recognize.

But beyond that, the decision represented a complete misconception of the psychology of the country. For all of the elaborate charade of "discussing" the necessary shape of controls with businessmen, labor leaders, and other citizens, the fact seems to be that there was no overwhelming demand for "voluntarism", as represented to be the case by Secretary Shultz.

To be sure, Shultz wanted to believe that there was a thirst in the country for a return to "voluntarism": that, after all, is the essence of his own commitment to the free enterprise system.

But what resulted was a political gamble, supported by the clear distaste for controls. And the gamble, of course, was that dropping the 5.5 per cent wage guidepost for a more fuzzy concept would bring from George Meany the assurance of a no-strike, smooth year for collective bargaining in 1973.

At best, it was a naive concept. Forgotten was the build-up of wholesale price increases that foreshadowed big jumps in the consumer price index. In December and January, the wholesale price jump was concentrated in food which was sure to bring about a housewives revolt and make it impossible for Meany to promise anything but resistance.

That should have been enough to have flashed a warning signal to the Administration. Beyond that, there was plenty of free advice. Federal Reserve Board Chairman Arthur Burns, in a speech to the American Economic Association in Toronto on Dec. 29 warned that in 1973, "further progress in moderating inflation will be more difficult to achieve."

There was even a subtle hint in that Burns speech that unless we won the struggle to control inflation, there might be "repercussions" involving the dollar. As a matter of fact, almost every economist in the country crank into his forecast the assumption that controls would continue unchanged for all of 1973.

During the election campaign, Mr. Nixon and his associates gave no hint of an early softening of controls. To the contrary, when Democratic candidate George McGovern put forward a weak, "club-in-the-closet" type of voluntary proposal, none other than Economic Council Chairman Herbert Stein jumped all over it as meaningless. Then Nixon adopted the McGovern program on Jan. 11.

Can it be a coincidence that the stock market hit its all-time peak of 1067.20 on the Dow Jones index on January 11, and by the third week in March—by which time there had been a new devaluation of the dollar—had dropped almost 15 per cent to 911.12?

Hardly. The stock market went into a tailspin, despite booming profits for the moment, because it was convinced that Mr. Nixon had tossed away a fairly effective controls program for a no-controls program. It has seen the Federal Reserve swing dramatically toward tight money and higher interest rates—and this kind of inflation control can spell credit crunch and recession.

Since entering into Phase III, wholesale industrial prices have risen at the most accelerated pace in 22 years. In February, the WPI index for industrial items (leaving out all foods) rose at an annual rate of 12 per cent. In March, it jumped at the annual rate of 14.4 per cent.

Privately, Government experts—still stunned by events—now expect that when the March consumer price index comes out next week, it will be up at the unacceptable annual rate of between 10 to 12 per cent.

Those opposed to the obvious response—an immediate freeze of all prices and wages—are searching vainly for excuses. But the President has no time to lose—and act.

[Advertisement from the Washington Post, Mar. 12, 1973—An editorial from the Mar. 10, 1973, issue of Business Week]

PHASE III CONTROLS: TOO VAGUE, TOO NARROW, TOO WEAK

A scant two months after President Nixon's abrupt announcement of Phase III, the whole system of wage and price controls is on the verge of collapse. What began as a well-conceived effort to put some flexibility into the rigid rules of Phase II and move the economy back toward the discipline of the marketplace threatens to end in disaster.

The consumer price index shot up 0.5% in January, an annual rate of 6% in family living costs. The wholesale index for food and farm prices soared 2.9%, promising yet more trouble when these increases work their way through to the supermarket checkout.

Labor leaders are openly scornful of the idea that 1973 wage increases can be held to the 5.5% guideline of Phase II. They are talking of 7.5%, and 8%, and even more.

In the international money markets, new raids on the dollar—triggered by growing mistrust of Phase III—have already forced the President to declare another 10% devaluation. The international payments system has broken down completely, and the world faces the disconcerting prospect of floating currencies and monetary chaos for an indeterminate period.

The stock market dropped 100 points in what was largely a vote of no confidence.

Whatever its theoretical merits, Phase III is a failure. And the nation simply cannot afford a failure of wage and price controls. Instead of applying patches like this week's new oil regulations, the President should terminate Phase III and replace it with a new set of controls that will work.

METAPHORS ARE NOT ENOUGH

Above all, these new rules must be clear, explicit, and backed by a firm determination to make them stick. Phase III suffered from bad luck and bad timing, but its fatal flaw was ambiguity. The country waited for clarification, and clarification never came. Administration spokesmen—Treasury Secretary George Shultz, Phase III administrator John Dunlop, and the President himself—all spoke in metaphors. Presumably the clampdown on oil was designed to demonstrate that there really is "a stick in the closet," but the implication is that it will be used only in special situations and then applied lightly.

Essentially, this is the approach of the mediator rather than the controller. A mediator does not lay down the law to anyone. He shuttles back and forth between the parties to a dispute, sympathizing with both and looking for acceptable compromises.

John Dunlop used this technique successfully in the construction industry to bring wage increases to acceptable levels. But what worked in a particular industry over a period of time will not work in an economy facing an immediate inflationary threat. The U.S. cannot mediate with the forces of inflation. It must control them.

For that reason, the Administration must make it clear that there is nothing "voluntary" about the new rules. And it must spread its enforcement net wide enough to ensure compliance by small producers and small labor groups as well as large. The idea that an economy can be managed by applying pressure at a few key spots in big companies and big unions may be workable when the system already is more or less in balance. It is an evasion of the issue—a cop-out—when an inflationary explosion is impending.

THE URGENT PROBLEM OF PRICES

The immediate focus of the new program must be prices. This is the critical area now. The showdown with labor over wage increases will come later. And the controllers will have no hope of winning that showdown without a clean record on prices in the months just ahead.

To control prices there must be clear rules on figuring ceilings and determining what costs can be passed through. There must also be an enforcement apparatus. This means bringing back some of the galling, time-consuming paperwork of Phase II—the reporting and substantiation of price increases. It may also mean a tighter squeeze on profit margins.

All this will be painful for business, but with the economy going into its second year of rapid expansion and with profits still gaining, business cannot plead hardship as it legitimately could in 1971.

Like it or not, the Administration should also expand its price controls to include farm prices—raw agricultural products changing hands for the first time. From the beginning, the exemption of farm prices has been the great weak spot in the control system. Unless the President plugs this hole, he cannot hope to make the rest of the control machinery work.

The best approach to the farm price problem would be to set ceilings, based on the record highs of the past year, and reinforce them by a vigorous program aimed at increasing supplies in the 1973 crop year. Any controls on farm prices involve the risks of shortages and black markets—as well as the political protest from the farm bloc Congressmen. But for the short term, controls are the only way to keep farm prices from dragging the whole economy into more inflation.

If the Administration can make controls stick on prices—especially on food prices, which are more than 20% of the consumer price index—it can reasonably say to labor that the 5.5% guideline is the limit for 1973 wage increases. And that is what it must do if the U.S. is to come out of the year with inflation at last winding down.

This is a crucial year for wage bargaining. It marks the start of a new cycle, with such key industries as rubber, electrical manufacturing, and autos writing new contracts. From the start, the basic strategy of the controls program has been to steer these pattern-setting contracts toward noninflationary settlements. Now, at the critical moment, the U.S. needs controls that work.

Business Week, the newsweekly of business.

Business Week, 1221 Avenue of the Americas, N.Y.C., N.Y. 10020.

FOREIGN AID FOR OUR AUTO INDUSTRY

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

Mr. REES. Mr. Speaker, Detroit has won another round in its campaign to pollute the atmosphere of this country. with the Environmental Protection Agency giving in on its effort to force the Detroit automakers to adhere to the 1975 pure air standards, Americans can look forward to more bouts with dirty, choking, eye-searing and killing smog.

It has always been so. What the automakers want, they get. The "damn the public welfare" attitude that has always prevailed continues to rule the roost at General Motors, Ford, and Chrysler.

As odd or shocking as it might seem, practically all the improvements to the American automobile designed to protect the public such as seatbelts, adequate bumpers and now air pollution control devices, have been mandated by the Congress and forced on the automakers over their opposition. They prefer spending their efforts on sales gimmicks and in designing new garish front grills, tail fins, or hydraulic toe rests.

Our auto industry is sick—it has been sick a long time. Our auto exports shrink as the auto imports skyrocket. The Detroit answer to the Volkswagen was the Edsel. Here is an industry isolated in the machinations of its own ego—the demented king who claims supremacy as his once great empire wastes away.

The prime example of the ineptness of the sick giant is in its inability to clean up the dirty engine. While Detroit insisted that it could in no way meet the 1975 standards, foreign automakers have shown that they can.

Mazda, a Japanese automaker with a Wankel rotary engine, built under a German patent, qualified; so did Mercedes, a German automaker with a diesel engine. Two other Japanese automakers, Honda and Toyo Kogyo, both stated that they would be able to meet the 1975 standards.

Most of these automakers—all foreign—who are qualified to meet the standards, have developed new technology based on the redesign of the motor in order to create their low emission autos. Detroit, on the other hand, is still fiddling around with a catalytic converter concept that is not very effective and has been around for too many years to remember.

Let us face it, in automobiles the United States has become an underdeveloped country. Our vaunted technology has been long outmoded. Maybe the Japanese and the Germans should include us in their foreign aid program; they could teach us how to build efficient smog-free motor vehicles.

ROLLBACK TO ANY DATE UNWORKABLE

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

Mr. MAYNE. Mr. Speaker, I want to congratulate the Democratic leadership on its good judgment in having stopped the further forward progress of the very misguided proposal to roll back prices to January 10.

The bill as reported by the Banking and Currency Committee was a monstrosity which would have jeopardized efforts to control inflation and done incalculable harm to our economy. If the leadership has, indeed, fully and permanently rejected the rollback concept it has acted wisely, after receiving a clear signal from the American people that they want no part of this absurd and self-defeating proposal.

However, there are disturbing reports this noon that the Democratic leadership is again buckling under pressure from organized labor, consumer groups, and big city mayors and is toying with the idea of reneging on yesterday's decision to abandon rollbacks. It is said Democratic members of the Rules Committee may be asked to rubberstamp a new bill to roll prices back to the levels of March

16. I earnestly entreat the leadership not to make such a grievous blunder. A rollback to any date would be grossly unfair to everyone engaged in producing or selling food, fiber, or manufactured goods in this country, and against the best interests of consumers as well.

For example, as I have stated in earlier remarks in this Chamber this week, any rollback would make it impossible for livestock feeders who paid high prices for feeder cattle before the rollback date to recover their costs, let alone make a profit. But the most decisive criticism which can be made of a rollback to any date is that it would be absolutely unworkable.

I want to serve notice here and now that no matter what Democratic Members do, most of us on the Republican side will continue to fight any rollback as a matter of principle, no matter what date may be selected by those trying to put our citizens in an economic straitjacket. And I say to my Democratic friends that you will be seriously misreading the mood of the electorate if you continue sponsoring price rollbacks which are unwanted, unfair, and unworkable. I appeal to you to join us Republicans in burying this cockeyed rollback idea once and for all in the best interests of all the American people.

LARGEST BASKETBALL OFFICIALS ASSOCIATION MEETS HERE

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

Mr. ANNUNZIO. Mr. Speaker, the International Association of Approved Basketball Officials—IAABO—is holding its annual meeting here in Washington this weekend.

I would like to take just a few minutes to commend basketball officials in general and IAABO members in particular for the outstanding service they are performing to the game of basketball.

With its more than 12,000 members, IAABO is the largest basketball officials association in the world. Its more than 250 local official boards operate in 38 States and 15 countries and U.S. possessions.

IAABO has local boards in Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, Australia, Bahamas, Canada, Canal Zone, Cuba, Germany, Guam, Iceland, Italy, Japan, Korea, Netherlands, Philippines, Puerto Rico, and Spain.

Just as basketball players prepare themselves for the season, so do basketball officials. This includes not only refresher courses on rules plus highly detailed examinations, but also physical conditioning. IAABO officials spend hundreds of preseason hours getting ready for the season. Although the officials do make a few dollars for their work, their most gratifying reward comes when the coach of a losing team tells them, "nice job, ref." Basketball officials are too often cast as villains in our sports society. Sports writers rarely compliment officials but are quick to criticize any calls with which they do not agree. Losing coaches view officials as a built-in alibi for a loss. Fans boo officials, players tolerate them and their wives complain about not seeing them. They must make unpopular decisions in the face of thousands of spectators and they must make such decisions in a split second without any chance for thinking it over or looking at slow motion replays.

It has been said that of all the sports, basketball officiating is the toughest. Each official may make as many as a hundred calls in every game. He is considered perfect if he is right on every single call, and if he misses one or two, he is considered a good official. Three or four misses will earn an official only an average rating, and if he misses more than four he is called a bum.

But if a basketball player is successful on only 50 percent of his shots he is called a super star, and a baseball player who hits safely one out of every three times at bat is a candidate for the Hall of Fame. But it may well be this high degree of excellence that is required of officials at least in the fans' and coaches' eyes that keeps IAABO officials constantly striving to reach perfection.

Mr. Speaker, I salute IAABO on this occasion of its annual meeting and pay special tribute to that organization's president, Dr. Phillip Fox, who also serves as the athletic director of the District of Columbia Teachers' College. Basketball officials should remember that they may not be loved but they are surely needed.

ECONOMIC STABILIZATION ACT EXTENSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

I. INTRODUCTION

Mr. WHALEN. Mr. Speaker, during the 12-month period—July 1, 1969, through June 30, 1970—the Consumer Price Index, which measures the cost of living, advanced 5.95 percent—from 127.6 to 135.2. In response to this inflationary situation, the Congress, on August 13, 1970, incorporated in the bill extending the Defense Production Act Presidential authority to freeze wages, salaries, prices, and rents at existing or higher levels. In signing this measure 2 days later, President Nixon averred that he had no intention of using this power. He indicated that any control on wages, prices, and rents, "simply does not fit the economic conditions which exist today."

Yet a year to the day—August 15, 1971—President Nixon invoked the discretionary powers contained in Public Law 91-379. He ordered an immediate 90-day freeze on all wages, prices, and rents. Additionally, the President appointed a Cost of Living Council "to work with leaders of labor and business to set up the proper mechanism for achieving continued price and wage stability after the 90-day freeze is over."

Phase 2 of the administration's stabilization program commenced November 14, 1971. The newly established 15-member Pay Board instituted a general guideline permitting a 5.5-percent per year wage increase. The Pay Board's counterpart—the Price Commission—announced its intention to limit price increases to 2.5 percent. The difference between these two goals—3 percent—represented the long-term trend of increase in worker productivity.

On December 14, 1971, Congress again extended the Economic Stabilization Act through April 30, 1973—3 months prior to his August 15, 1971, action, the President signed H.R. 4246 which continued his wage-price-rent control authority through June 1, 1972.

Phase 2 remained intact during calendar year 1972. On January 11, 1973, the President ended mandatory wage and price controls except on food, health, and construction and embarked upon phase 3 of his stabilization program. As published in the Federal Register on January 12, phase 3 provides that: First, wage increases shall not exceed 5.5 percent—subject to allowed adjustments—unless the standard is changed; second, price increases shall be limited to coverage of cost increases. Enforcement of phase 3 is vested in the Internal Revenue Service and the Cost of Living Council. If the Council, after reviewing reports mandated under phase 3, determines that a wage or price increase violates voluntary guidelines, it can issue a temporary order establishing interim levels. After a public hearing, during which affected parties can defend their actions, the Council may impose legally binding wage and/or price levels.

On April 4, 1973, the House Banking and Currency Committee amended and then approved S. 394. This measure, as reported by the committee, extends until April 30, 1974, the President's authority to control wages and prices. Amended S. 394 also provides that all prices, including interest rates and food, be restricted to their January 10, 1973, levels. Wages, however, are not subject to the rollback or freeze, although the President retains the right to control wages of those earning over $3.50 per hour.

On April 11, 1973, House Democratic leaders decided to postpone action on amended S. 394 until after the Easter recess. Instead the leadership will ask the House to pass a resolution which simply extends the current law for another 60 days. This proposal will be considered during the week of April 16.

II. EFFECT OF THE ECONOMIC STABILIZATION PROGRAM

Before assessing the merits of the 60-day extension resolution and the Banking and Currency Committee's alternative, it is necessary to review the efficacy of economic stabilization efforts since August 15, 1971. Two fundamental questions must be answered. First, has the program been equitable? Second, has it

achieved its objective of controlling prices?

HAS ESA OPERATED EQUITABLY?

In retrospect it is clear that the administration of wage-price controls during the past 19 months has fostered two serious problems.

First, the decision to maintain a limited operating staff has placed the program beyond the reach of the average citizen. Inquiries or appeals directed to Washington often receive neither an acknowledgment nor a decision. This fact again was brought to my attention yesterday when I was contacted by a member of the Amalgamated Meat Cutters and Butcher Workmen's Union. In August, 1972, the Dayton local filed with the Pay Board an appeal to an Internal Revenue Service decision affecting a collective bargaining agreement with the Kroger Co. No decision was rendered. The appeal was refiled with the Cost of Living Council in January 1973. To this day no acknowledgment has been received by the Dayton local.

Two other recent instances illustrate the inaccessibility of wage-price officials. Late in February I received a communication from Mr. Robert Yates, president of Local No. 178, United Rubber, Cork, Linoleum, and Plastic Workers of America. Mr. Yates informed me that in October 1972 he forwarded a registered letter to the Pay Board appealing a denial by the Internal Revenue Service of a wage and benefits package negotiated for union members at a new plant. Mr. Yates advised me that after 4 months "I have heard nothing from the Pay Board or anyone."

Last fall the Good Samaritan Hospital of Dayton, Ohio, decided to undertake a $33 million expansion program. Bond interest was to be financed, in part, by an increase in room prices scheduled for 1975. Approval of this hike was requested of the Price Board and, later, the Cost of Living Council. Two months later, at the time the construction contract was to be awarded and the bond certificates signed, no decision had been reached. In panic, hospital representatives sought to explain their problem to the Council chairman. They were refused. Finally, after vigorous intervention by Senator SAXBE, Senator TAFT, and myself, the Cost of Living Council made its determination.

If market decisions are to be centralized in Washington, an apparatus must be devised to provide rapid response to citizen concerns. The decision to commit minimal resources to the current stabilization effort precludes attainment of this objective. The resulting irresponsiveness has bred considerable dissatisfaction among my constituents. To the employers and employees of Dayton, Ohio, failure to receive any decision is more frustrating than an adverse decision.

The second inequity inherent in the present program is its failure to exact a common sacrifice from all elements of the economy. During World War II and the Korean war, profits, in addition to prices and wages, were subjected to direct controls. This is not the case today—profits are exempt from direct Federal intervention.

Corporation profits have risen at a rapid rate—23 percent—between the end of the third quarter, 1971—$45.6 billion after taxes—and the end of the fourth quarter, 1972—$57.3 billion after taxes. Concurrently, workers' income gains have been restricted to an approximate 5.5 percent annually. As noted in the October 1972 issue of the AFL–CIO's American Federationist—

> Workers are prepared to sacrifice as much as anyone else, for as long as anyone else, so long as there is equality of sacrifice. No such equality exists now.

Has the ESA Achieved Its Objective of Controlling Prices?

During 1972 the rate of inflation abated, the Consumer Price Index increasing only 3.3 percent—from 121.3 at the end of 1971 to 125.3 as of December 31, 1972. This record was achieved during a period of relatively high unemployment and low plant capacity utilization. Thus, how much of the economy's price performance is attributable to the operation of phase 2 controls is questionable. For example, the November 1972 issue of the First National City Bank of New York's Monthly Economic letter suggests that since November 1971—

> Prices have risen at about the same rate—or perhaps a little slower—than they would have in the absence of controls.

The article also observes that—

> Analysis suggests that the fruits of price controls have already been reaped and that continuing them can only add to their costs without increasing the derived benefits.

UAW President Leonard Woodcock shares the First National City Bank's views. Testifying before the Senate Committee on Banking, Housing and Urban Affairs on February 1, 1973, Mr. Woodcock noted:

> It is doubtful, at best, that the price controls in effect since August, 1971, significantly altered the course that prices would have taken in their absence. Increases in prices had decelerated markedly before controls were imposed. The Consumer Price Index, which was rising at an annual rate of 6.3 percent early in 1970, had slowed to a rate of 3.8 percent during the first 8 months of 1971, before controls were imposed. The annual rate of increase from August, 1971, through December, 1972, was 3.2 percent. It is questionable whether ESA deserves credit even for that small difference of 0.6 points. But even if the ESA be given full credit, the gain is hardly large enough to justify continuance of the legislation and all its negative consequences.

III. ANALYSIS OF ECONOMIC STABILIZATION EXTENSION PROPOSALS

The 60-day extension resolution, suggested by the Democratic leadership, perpetuates the inequities ingrained in the present stabilization system.

First, the administrative, review, and enforcement staff remains inadequate. Thus, overburdened Cost of Living Council personnel, of necessity, will be oblivious to public contacts.

Second, profits, despite their disproportionate growth, still are excluded from direct controls. Business firms, consequently, will continue to be the principal beneficiaries of future economic expansion and productivity increases.

Neither of these two deficiencies is ameliorated by the bill recommended by the House Banking and Currency Committee. Amended S. 394, in fact, spawns two further problems.

First, by rolling back prices to their January 10, 1973, levels, this measure imposes an impossible administrative and enforcement burden upon Internal Revenue Service and Cost of Living Council employees.

Second, it inhibits the capacity of monetary authorities to deal with inflation. One of the important tools used to combat rising prices is the power to limit the growth of the Nation's money supply. In order to keep interest at its January 10, 1973, rate, the Federal Reserve System would be required to pursue policies which would permit the supply of money to keep pace with the demand for funds, however exorbitant. To this extent, S. 394 is counterproductive in its quest to deal with inflation.

Since neither rectifies the weaknesses found in present stabilization policies, and inasmuch as passage of amended S. 394 would generate new difficulties, I shall vote against both proposals.

Today a "free market" no longer operates in America. While the market place is not dead, oligopolistic practices negate the traditional role of supply and demand in determining price. It is evident, therefore, that some permanent stabilization mechanism may be necessary. Any incomes policy ultimately adopted, however, must be both equitable and effective if it is to endure. Amended S. 394 and the 60-day extension resolution are neither.

FEDERAL JUDGE WILLIAM B. JONES' RULING TO CONTINUE POVERTY PROGRAMS SPARKS CELEBRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GROSS) is recognized for 30 minutes.

Mr. GROSS. Mr. Speaker, yesterday Federal Judge William B. Jones ruled that the administration cannot proceed with its housecleaning in the poverty program.

It must have pleased this misguided judge to learn through the newspapers that 100 or more "poverty warriors" at OEO headquarters in Washington promptly took time off from their questionable labors to stage a celebration, complete with champagne.

Thus it was that to the popping of champagne corks and with their glasses raised on high that Washington's "poverty warriors" celebrated with glee a judge's decision hearing the effect of continuing poverty programs that have been shot through with mismanagement, scandal, and worse.

Meanwhile, in Chicago, another Federal judge, James B. Parsons, refused to issue an injunction to halt the administration's dismantling of the scandal-ridden OEO office there. Strange though it may seem, there is no report that Chicago's poverty warriors toasted Judge Parson's ruling with champagne.

Mr. Speaker, last week I called attention to a number of examples of outright fraud and widespread swindling among

employees of the Office of Economic Opportunity.

This is the outfit, sometimes known as the "Poor Corps," which was the pet project of the bleeding-heart superliberals in the Johnson administration whose misbegotten theory was that money will cure any problem, and the more money the better as long as it did not come from their pockets.

Their theory proved to be bankrupt, of course, and the OEO has turned out to be what many of us thought it was in the beginning—one of the best examples of bureaucratic bumbling and waste ever created by the mind of man.

The professionals who make their living off this poverty corps are, naturally, moaning and groaning over the administration's efforts to cut down on this monstrosity and they have been joined by some of the ultraliberals on Capitol Hill and in the press.

But I am convinced that the great mass of the American people are sick and tired of this glorified welfare program and since it is their money that has been and is being squandered every day by those in this program, it is only proper that they as well as the Members of Congress should be told what is going on.

Let me cite a few more examples of how the U.S. taxpayers is being taken for a ride:

First. In South Carolina, the director of an OEO unit proposed a plant nursery training project and received $99,000 for it. He leased 11 acres of his property to the project for $1. Six months later no nursery training project has been started but nearly $52,000 in OEO money had been spent for a three-bedroom, modern rambler home on the director's property. He called it a school office.

Second. In California, the executive director of a so-called economic opportunity council received by mistake two OEO checks totaling $62,693 meant for another agency. He opened a savings account with them and, when the error was discovered he was asked to return the money. He said it had been spent.

Four days later, however, he withdrew $9,000 from the account and put it in his council's general fund. A week later he withdrew another $9,000 and put that in a Headstart account. A subsequent audit found $4,510 left in the savings account but nobody is sure of what happened to the remainder of the $62,000.

It was later discovered, however, that the executive director spent $14,999.54 to lease five cars for the Headstart program and leased two other automobiles, one for his personal use, the other for the personal use of his assistant. The two also had, and used, American Express credit cards issued to the council. At last report both men owed the OEO substantial amounts representing personal expenses.

Third. In New Jersey, the staff of a so-called community action program learned to like travel. They used OEO money for unauthorized trips to a national black convention in Gary, Ind., to an annual conference of mayors in New Orleans, La.; and to something called a "Poor People's Convention" in Miami, Fla. Vouchers submitted for this trip were falsified to show the group attended a "National Association of Community Developers" conference.

This New Jersey organization, by the way, is the one that spent $60,000 of the taxpayers' money on a charter flight and tour of Europe for 66 children from allegedly poor families. No screening was done on these children and it was subsequently found that many were not from poor families and that one came from a family with a $38,000 annual income.

Fourth. In Wisconsin, a number of participants in a Neighborhood Youth Corps program stated the director allowed them to take vacations and submit false time sheets. The director admitted signing a false time sheet and placing money earned by participants in a bank account in her own name.

Fifth. In New York State, a community action program director raised his own salary from $12,000 to $14,000 when he was authorized a salary of $10,500. This outfit also paid a salary of $11,960 for full-time work to a VISTA supervisor who was—at the same time—getting $7,510 a year as a full-time employee of a Headstart program. Nice work, if you can get it.

Sixth. In Oregon, $22,631 spent by a Community Action Agency was attributed to improper payments to its executive director, excessive salary increases, advances charged as expenditures, unsupported and improper travel costs, and improper use of grant money.

Seventh. In Florida, an OEO legal services organization allowed a militant black organization to use its facilities to print 10 issues of a newsletter named "Muck Rake" which referred to policemen as "pigs." The cochairman of the militant group was a so-called investigator for the legal services organization and, while serving as such, was arrested with three other militant group members on charges of extortion.

In Mississippi, an alleged training organization known as TATER, financed by OEO, had a director whose salary was $15,000 a year. The director charged another OEO-financed organization $2,621.80 for consultant fees for supposedly providing the identical services he was hired by TATER to provide free to such agencies.

The director came to TATER after being forced to resign as executive director of an OEO organization in another Mississippi city.

He then submitted false documents to OEO claiming that he moved his home to his new location on August 7, thus qualifying to charge moving "expenses" of $1,000 against OEO grant funds that had been authorized on August 1. It was discovered that he actually moved on July 7.

Eighth. In Georgia, two employees of an OEO "health center" have been arrested and charged with the $21,000 armed robbery of the U.S. Army Commissary at Fort McPherson.

Ninth. In Rhode Island, the director of an OEO-financed youth organization has a police record of 30 arrests on such charges as conspiracy to commit murder, robbery, extortion, and assault with a deadly weapon. A second OEO-paid official has been arrested four times on felony charges; a third was arrested seven times and a fourth is serving 15 years in jail for second degree murder.

Tenth. In New York State, a Community Action Agency retained two "consultants" who later left town when police confronted them with their criminal records—one had been convicted of bank robbery and charity fraud, the other for possession of a dangerous weapon.

Eleventh. In Florida an OEO agency truck was loaned to four men who used it in the murder and robbery of an OEO agency security guard.

Twelfth. In Pennsylvania, the associate director of a community progress council was convicted of attempted arson—the firebombing of a school. A consultant for the same organization used as a "training" film for juveniles "The Battle of Algiers," showing urban guerrilla warfare methods used by Algerian terrorists.

Thirteenth. In California, an OEO-financed Indian organization spent $2,000 for the funeral of an Indian who led the takeover of Alcatraz Island. Its interim director borrowed $800 of the organization's funds to make a down payment on a new car for another organization official, and $100 to cover his secretary's bad check. The same man had been secretary to another OEO-supported Indian organization until he was fired after making $8,182 in unauthorized expenditures in which forgery was involved. The organization also spent $18,000 to hold an American Indian Council conference in Omaha, Nebr. Its travel costs included $4,784 for airline tickets to and from the Omaha conference; $1,358 for airline tickets to Minneapolis, Minn.; $3,000 for airline tickets to Washington, D.C., and $420 to send a former employee and her family to Tulsa, Okla., for a funeral.

Fourteenth. In Ohio, an OEO-financed organization bought over $2,500 of lumber from a firm in which one of its board members had an interest. The purchase was made with a series of checks just under the $500 limit for which OEO regional office approval was necessary. One of the staff members of this outfit also hired his daughter at a salary of $300 a month, a practice which is forbidden by OEO regulations.

Fifteenth. In Texas, an attorney received $4,250 from an OEO-financed organization as a "retainer" during a period when he actually worked full time for a labor union. In addition, employees of this organization were "expected" to donate part of their salaries each month to the unemployed board president.

Sixteenth. In New Mexico, two community action program employees received mileage payments for commuting from home to office; six others were paid $1,493.98 for unused leave time; a voucher for $312 was issued to pay for dentures for the board chairman's wife and food voucher recipients were ordered to trade only at stores selected by the staff.

Seventeenth. In New York City, three officials of OEO-financed organizations have been indicted in a kickback conspiracy involving $70,000 in bribes paid to obtain $2 million worth of Federal contracts.

FOR THE GOOD OF THE COUNTRY AND THE ARMY, GEN. WILLIAM R. PEERS SHOULD NOT BE RETIRED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

Mr. ZABLOCKI. Mr. Speaker, a great general who had the courage to stand up to the system, Lt. Gen. William R. Peers, is apparently being retired from the Army. At least, an Associated Press dispatch yesterday reported the Pentagon announcement that the general will retire July 1, 1973.

General Peers is presently deputy commanding general of the 8th Army in South Korea. There is where he was assigned after his meritorious service in the Mylai investigation.

Unfortunately, after serving his country nobly and honorably, he is slated to be retired.

I have had the privilege of knowing General Peers for a long time. He is not a West Pointer. He rose through the ranks. During the war, in Burma, he organized and led this country's most successful guerrilla operation of the entire war; as a colonel, he commanded OSS Detachment 101. He was uniquely qualified for the tremendous role he later fulfilled in the Army and in Vietnam. As commanding general of the 4th Division he led the big battle of Dak To. His outstanding combat command record led to his promotion as commander of II Corps Area in Vietnam.

After returning to the United States he had the important responsibility in the Pentagon in charge of the Reserve and the National Guard programs while the end of the Vietnam war was in progress. It was from this assignment that he was detached by Secretary Resor and General Westmoreland to investigate whether or not there had been a command coverup of the Mylai tragedy.

When General Peers undertook this assignment, other friends along with me told him he could not win; if he found there was not a coverup, he would be accused of whitewash; if he did find there was a coverup, he would be accused of grossly interfering with the efficiency of the Army and of the whole Defense Establishment, and of breaking the old school tie.

General Peers had proved many times before that he was not afraid of any assignment, and he turned a deaf ear. The objectivity, the fairness, and the fearlessness of his investigation made a brilliant page in American military history.

It is incredible to me that the leaders of the Army and of the Pentagon are prepared to allow General Peers to retire from active duty at this point in our history. This man with unique battle experience, with a common touch which has endeared him to the men who served under him—with the rare administrative and diplomatic skills that enabled him to carry out his Mylai assignment—should not be relegated to retirement by the Army.

In my judgment, the issue is highly imperative: It is whether or not by the action of the Army the sidelining of General Peers will cause future officers to shy away from calling the shots as they see them. We cannot let this happen to the U.S. Army.

I urge the President of the United States to find a suitable post for this unique American who, at the pinnacle of his career, is nevertheless slated to retire from his country's service.

CONGRESS SHOULD DECIDE THE FUTURE OF OEO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 10 minutes.

Mr. RANDALL. Mr. Speaker, I have today introduced a concurrent resolution expressing it to be the sense of Congress that the President should continue in operation the programs and activities authorized under the Economic Opportunity Act, utilizing fully the funds appropriated by the Congress until and unless Congress determines otherwise.

In our concurrent resolution it is also provided that it is the sense of Congress that the President submit a budget request ending for the period ending June 30, 1974 requesting appropriations for economic opportunity programs in accordance with authorizations which carry through fiscal 1974. It should be stated that this resolution is sponsored by one who has been critical of many programs of the OEO in the past, but the time of its introduction should not be surprising in the light of a ruling yesterday by a U.S. district judge that the dismantling of OEO violated the Reorganization Act which requires that a reorganization plan must be submitted to Congress before an agency can be abolished.

For years I have been critical of certain big city operations of the Office of Economic Opportunity. Yet at the same time I have seen the good things that have been done by the programs in our rural counties of west central Missouri, particularly in the work among our senior citizens and the youth in the neighborhood youth programs. After first hand observation of the successful operation of the senior citizen programs and the youth programs my opposition of former years was reversed and I joined in support of both the authorization of and appropriations for the OEO programs in 1972.

There is little doubt that there have been abuses of the OEO program in the big cities. I am not at all happy about some of these operations. Many have been top heavy on administrative costs. There has been too much spent on management of a program and not enough on the recipients themselves. Moreover, I do not have any sympathy for the legal services program.

For years I promised to support the poverty program if I could ever become convinced there would be a reasonable distribution of funding between the urban and rural areas. Over the years it seemed that the rural areas received only a few crumbs that fell off the table, left over from the lion's share lavishly spent in the ghettos of the big cities.

Then in 1972 we were able to get an amendment adopted that gave assurance of some minimum funding for the programs to benefit the aging in the rural areas. I support the retention of OEO today because I know from firsthand knowledge and information that certain programs have worked well in the areas administered by the West Central Missouri Rural Development Corp. that serves 8 of the 16 rural counties in our Fourth Missouri Congressional District.

Lest I be falsely accused I wish to make it plain that even while I supported the authorization bill for the OEO last year, I was not blind to or unmindful of many irregularities then going on in the operation of the poverty program in its big city orientation. For example as chairman of the Special Studies Subcommittee of the House Committee on Government Operations, it was my privilege to chair hearings which discovered the group of over 50 youth that were traveling in Europe on poverty funds. Our hearings developed that some of these youths came from families with incomes of over $15,000 per family, in one instance the income of the family from which one of the young recipients was selected to make the European trip was nearly $20,000 per annum. Of course, this was no way to run a poverty program. My subcommittee blew the whistle on this kind of thing and quite properly. But with the bad there was some good things going on under the canopy of OEO.

In contrast to the big city waste I have seen the programs of the West Central Missouri Rural Development Corp. provide desperately needed transportation for our aged citizens from their homes in outlying or isolated areas to places where they could receive medical attention. In contrast to the abuse of the students traveling abroad improperly one has only to observe the operation of the truly worthwhile program of one hot meal per day delivered to those indigent and aged citizens who are not able to leave their own surroundings to buy food.

Someone has so appropriately stated, "it is bad enough to have to live below the poverty line. It is more distressing to be old and ill at the same time. But the worst combination of unfortunate circumstances is to be poor, old and ill and at the same time living an isolated existence in the rural areas. It is difficult to conceive of a worse combination of circumstances." It is the kind of services to our senior citizens which the West Central Missouri Rural Development Corp. is providing that makes me determined to do my best to oppose the improper, unauthorized and now, by the judgment of at least one Federal district court the unlawful or illegal dismantling of OEO.

Mr. Speaker, the point of the resolution which I have introduced today is exactly the same as the theory on which Federal Judge Jones predicated his case yesterday. Judge Jones held that the recent actions of Howard Phillips, who has been described facetiously as the head of the "Howie Phillips Wrecking Crew," violates the action of Congress which authorized funds for the Office of Economic Opportunity through fiscal 1974.

Another point in my resolution is that the President's method of dismantling

the OEO violates the Reorganization Act which requires that a plan be submitted to Congress before an agency may be abolished. I submit that so far as I have been able to determine none of the orders terminating OEO were ever published in the Federal Register. If that be true, then the orders are illegal. The Federal judge ruled yesterday that all of Howie Phillips acts against OEO are unauthorized by law and in excess of any existing statutory authority and are therefore null and void. There you have it. What could be clearer?

I have no personal grudge against Mr. Howard Phillips. He is simply following orders to ignore a congressional mandate. He has set out to destroy every OEO program on the theory that any President could destroy almost any program by refusing to request funds for the program. If this is valid and lawful then all at once we have discovered a new veto power—veto by budget message. If this kind of procedure is valid then there is nothing to keep the Chief Executive from ignoring any and all other congressional authorizations he deems contrary to his own wishes, regardless of the needs of the Nation.

Of course, many of us old fashioned Members will continue to respect the proposition that when Congress orders that a program to be authorized then only Congress in the responsible exercise of its power can make provisions for its termination. Until there is a decision by Congress to terminate a program, the only function of the executive branch is to administer the program in accord with its legislative purposes.

Put precisely, no Federal manager has the power or authority to sweep away by his own choice a program mandated by Congress.

Mr. Speaker, Congress authorized the Economic Opportunity Act. My resolution introduced today provides that any effort to reorganize the OEO must first be submitted to Congress pursuant to the reorganization act. Only Congress—not some bureaucrat in the executive branch—can determine whether an authorized program be continued, modified or terminated.

THE KODAK SUGGESTION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 5 minutes.

Mr. CONABLE. Mr. Speaker, we recognize the great desirability of broader citizen participation for improvement of government and other institutions of our society. One of the outstanding industrial institutions in the Nation, Eastman Kodak Co. of Rochester, N.Y., has successfully applied this principle to its operations for many years through an employee suggestion plan. The Kodak suggestion plan, the second oldest such plan in continuous operation in the country, is marking its 75th anniversary this year.

The Kodak suggestion plan has received more than 1.4 million ideas during that time for improving the company's operations, products, and services, and nearly 500,000 have been adopted. The creative suggestions of Kodak employees have contributed to reducing costs, eliminating waste, increasing safety, and improving Kodak products and services to the public. The company now awards about $1 million annually to its employees for their suggestions.

In hailing the contribution of its suggestion plan in the company's progress, Kodak President Walter A. Fallon said recently:

> The sustained vitality of Kodak's Suggestion Plan is a tribute to the efforts of our people who are concerned about improving company operations and to the work of the individuals who objectively evaluate the thousands of new ideas submitted each year. For three-quarters of a century, these Kodak men and women have been at the forefront of innovation. There are few areas of the company that have not benefited from their collective and individual insight and concern. I am confident that a high rate of participation on the part of Kodak people will continue to characterize the plan in years to come.

The plan was initiated in 1898 by George Eastman, founder of the company, at the Kodak Park Works located in the area which I represent. The first suggestion proposed was a simple one—that the windows in the black paper department be washed—for which the employee received a special award of $2. As the company has expanded and the employee force has grown to its present total of 115,000 worldwide, the suggestion plan has developed apace. More than half the total number of suggestions and awards have been made during the past decade with a top award of $47,800 being made to an employee in 1971. The plan over the past 75 years has served as an effective method of evaluating and rewarding new ideas as well as a responsible means of two-way communication between management and employees. All have been the beneficiaries.

Mr. Speaker, I am pleased at this opportunity to bring this outstanding industrial improvement plan to the attention of my colleagues in this 75th anniversary year.

HIGHWAY TRUST FUND: THOUGHT-PROVOKING PRESENTATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, a curious paradox has developed concerning diversion of highway trust funds to urban rail transit. While diversion has lost support in Public Works Committee compared with last year, it seems to be gaining support among Members at large.

I believe I know why. The Transportation Subcommittee held a full week of hearings in late March and produced a wealth of testimony in support of preserving the trust fund. True, there was also the routine rhetoric about congestion, pollution, and the problems of the urban poor, but these arguments were decisively refuted.

At the same time, however, Members have been deluged by appeals to bust the trust, apparently generated by misleading coverage of the issue by the national media, which largely ignored those hearings.

For this reason, I wish to call to Members' attention the provocative testimony of Prof. George W. Hilton of UCLA.

He documents the fact that the ability of transit to divert riders from road to rail is "trivial" in comparison with normal pressures for traffic growth in metropolitan areas.

He goes on to argue that rail transit generates high-density development and demand for transportation only partly is met by transit itself. Finally, he supports my contention that means must be found to require transportation needs to be taken more fully into account in local control over large-scale development—via some form of "impaction statement."

I do not agree with Professor Hilton's policy recommendations in all respects. He does not support the trust fund, but he more strongly opposes diversion. In fact, he opposes any form of Federal subsidies for urban rail transit.

For those who regard trust fund defenders as antitransit, I reiterate my support for urban mass transit from general revenues or a separate trust fund.

Following are excerpts from Professor Hilton's testimony and our verbal exchange:

PROFESSOR HILTON'S EXCERPTS AND VERBAL EXCHANGE

Mr. HILTON. My name is George W. Hilton. As you have stated, I am Professor of Economics at UCLA.

I requested an opportunity to testify because I feel the findings in a study which I have written are relevant to your considerations. I have written a monograph, *The Urban Mass Transportation Assistance Program*, which will be published later this year, in a series of the American Enterprise Institute.

* * * * *

About two-thirds of UMTA's funds go into the building of rail systems. Since the establishment of the UMTA Program, it is clear from the testimony of the program's proponents that their major interest is in the proliferation of rail transit systems, of which the Bay Area Rapid Transit, currently nearing completion and is the prototype.

Although this system is not in full operation, and it is questionable whether one can make a definitive judgment on it from what is already in operation, the UMTA program in Chicago, Boston and Cleveland has already brought forth rail lines from which it is possible to draw valid inferences on what can be accomplished with this form of investment.

UMTA financed a rapid transit line of the Chicago Transit Authority in the median strip of the Dan Ryan Expressway, the main freeway running straight south from the Chicago Loop. This line was opened in 1969, and by 1972 it was handling 108,600 passengers per day.

Over 80 percent of the passengers were former passengers of other CTA rail or bus lines, or of other pre-existing public transportation, mainly, mainline railroad commuter services in the area. Only eight percent in the survey by the CTA, at the southern terminus of the line, reported themselves as former drivers. To say that eight percent of the passengers were former drivers is probably an over-estimate, because the parking facilities are at the south end of the line and not at intermediate stops. So a sample at the southernmost station probably overstates the percentage of drivers.

This is consistent with the experience on

earlier rail systems. It is about 10 to 12 percent ex-drivers on earlier Chicago rapid transit lines and the Toronto rapid transit lines.

* * * * *

The evidence is quite unambiguous, as I have endeavored to point out in this testimony. The experience is very consistent between the systems, that they can take off the roads approximately the number of vehicles as the Bureau of Public Roads estimated in 1968, that one to two years secular growth will put on to the roads.

On the basis of the rapid transit systems which UMTA has built already, that's an overstatement. They typically take off less than a year's secular growth.

If you will permit me to continue with the experience of the line in the Dan Ryan Expressway, the expressway handled 122,000 vehicles per day in 1968, 126,000 in 1969. The rapid transit line was opened later in that year. In 1970, the average daily vehicle count went down to 121,500. That may be the consequence of the rail line, but in the summer of that year extensive resurfacing was carried out, which reduced vehicle count.

But accept that the reduction is all the consequence of building a rail transit line. In 1971 the vehicle counts went up to 144,100, and in 1972 it was approximately 159,000. The last year represents, in part, the completion of another leg of the freeway to connect with the main freeway running south through Champaign, Memphis and New Orleans.

DIVERSION "TRIVIAL"

But in any case, this demonstrates that the ability of a facility of this character to divert vehicles is trivial compared with the forces for growth in traffic. The other experiences are comparable.

The Skokie Swift rapid transit line in Chicago, which was an early transit line built by UMTA, and the Quincy extension of the Massachusetts Bay Transportation Authority in Boston, are each estimated to take between 900 and 1,000 vehicles a day off parallel freeways, and in both cases the vehicle counts on the freeways are in excess of 100,000 per day.

The Southeast Expressway in Boston, the freeway rival to the Quincy line regularly carries between 80- and 120,000 vehicles per day. Its peaks have been 135,000 per day. The diversion of 1,000 vehicles is imperceptible relative either to the daily variance or to the growth in vehicle counts.

Similarly, I can summarize the experience of the Cleveland Transit Authority's airport extension, which is estimated by the Cuyahoga County Highway Department, in a letter to me, at approximately—a diversion as approximately equal to six months growth of vehicle traffic on I–71, the rival freeway.

This is actually consistent with what we know about the behavior of travelers with respect to automobiles and to mass transit. As people go to successively higher incomes, they tend to increase their consumption of services related to the automobile more than proportionately to the increase in income. They tried to respond to increases in income by either approximately staying constant in their demands for urban public transportation, or more frequently, having an absolute diminution in the use of it, and tending to substitute the automobile for it.

Further, almost all forces at work upon cities are for diffusion in the urban pattern. As a result, the number of trips by whatever means into a central business district are typically declining. As I note in my prepared testimony, in Chicago about 11 percent of all trips in the metropolitan area were to the Loop in 1960, but this figure is now down to about 8 percent and is expected to reach 5 percent by 1980.

What this means is that whatever reshuffling one can do on the trips into the central business district is unlikely to have a very great impact on the overall transportation demands of a metropolitan area. Given the facts that rail transit systems can provide almost nothing but the trip into and out of the central business district, they can in a literal sense provide only a diminishing portion of a diminishing percentage of trips in a metropolitan area.

UNIVERSAL DECLINE

They have a universal pattern of decline. There is not a single rapid transit system in the country which had not gotten into a secular decline by 1959. The Cleveland extension to Hopkins Airport has had a monotonically declining rate of utilization since the year it was opened. It handled 1.4 million passengers in the year it was built, opened, in 1969, and it is now down to 886,000.

Mr. Hilton. The rail rapid transit systems, as a whole, in the United States, they have lost approximately one-third of their entire ridership since reaching their peak in ridership in 1929. They ceased to be economic for the new investment by the private sector after the panic of 1907. They continued to expand their ridership through the 1920's, and then had an absolute decline subsequently.

Consequently, if you facilitate investment in this form of transit, you will be investing in a declining industry, in facilities which can only decline over time, and which accordingly are incapable of providing the external benefits which are being sought.

The investment is justified in rail systems by their proponents almost exclusively on the basis of the external benefits which it is hoped that they can provide, which is to say, reduction in traffic congestion, and atmospheric pollution, plus increase in mobility by low-income groups. It cannot provide any of these. If it could, New York would be freer of these problems than other cities. At present, approximately 82.3 percent of American rapid transit passengers are in New York.

I hardly need tell you that New York has more of these problems rather than less.

POLLUTION, CONGESTION RISE

The high concentration of economic activity which the New York subway permits could not exist otherwise. It results in a great deal of traffic being attracted to Manhattan Island. The vehicles going there start and stop on almost every block; as compared with moving long distances, vehicles under those circumstances will pollute approximately four times as much as they will in free-flow driving. Accordingly, the rapid transit has, in fact, made these problems of congestion and pollution worse.

I'm not arguing that further investment in rapid transit will do this, because the evidence is so abundant that it has not great impact on the metropolitan area, that I think it would be intellectually dishonest to argue that it would make these problems significantly worse. In fact, what it will do is simply provide waste.

As I have argued in my prepared testimony, the present interest in rapid transit will inevitably be of short duration. The experience of the Bay Area Rapid Transit is already, I think, beginning to dispel this interest. When the system is completed, I have no doubt it will continue this process of dispelling interest in rail transit.

By 1980, at the latest, the present rapid transit movement will be looked upon as unsuccessful, misguided, and purely wasteful. Thus I think it's important to avoid or at least to minimize the amount of waste which is put into this at present.

The proposal at hand thus ought to be looked upon as one which will provide waste in the short-term situation, and in conclusion I would argue that this prospect should be avoided. I have argued in my prepared testimony that most of the problems which are, quite correctly, looked upon as problems for solution by public bodies, are a consequence of inept taxation, or other inept pricing of public facilities.

Taxing road users on the basis of an excise on gasoline does not differentiate between the social cost of their using the roads at various hours, and gives rise to rush hour congestion. Similarly, failure to tax noxious emissions results in the air's ability to dispose of pollutants being utilized to absolute satiation.

The appropriate course for public policy in this area is to develop appropriate user charges through metering the use of roads, and also taxation of noxious emissions.

The other appropriate area of public policy in this field, it seems to me, is replacing the present urban transit monopolies with a system of owner operation of buses as a competitive industry, which is to say "jitney" operations. Such an industry would be more demand responsive, would be cheaper to operate, would be more appropriate to the transportation demands of the urban poor, and would, in addition, provide employment opportunity for the urban poor, making use of a talent which most of them already have.

If these measures were adopted, what are presently looked upon very widely as insoluble problems could be dealt with effectively and the waste of the character I have been discussing could be avoided.

* * * * *

Mr. CLEVELAND. Professor, you have given us a very interesting statement here. And it's falling on very receptive ears, but unfortunately, I might say—

Mr. HILTON. I think you're right in saying "unfortunately", for I'm a great believer in the adversary proceeding. I think it would be more effective if it were falling on hostile ears.

Mr. CLEVELAND. We have many more members of the Committee that I wish were here to hear your statement. I am going to make certain over the course of the next two or three weeks that they do.

You have heard the Chairman refer to the fact that we have a time problem, which I regret, and out of respect to it, I can't develop as many questions as I would like to.

As I understand what you're telling this Committee, is that the current interest in "jazzing up" urban mass transit, particularly rail transit, comes as a political response to a problem which everybody recognizes, which is traffic congestion, particularly in certain hours of the day, particularly in downtown areas—is that about the size of it?

Mr. HILTON. Yes.

RESPONSE "POLITICAL"

Mr. CLEVELAND. I suppose, like all political responses, it has to be well publicized, aided and abetted by opinion molders, I suppose many opinion-makers are caught in these traffic-congested areas. It adds fuel to this because these are the people, who are editors of a paper, or editorial writers or commentators, or TV announcers. If somebody gives them an idea there's a solution to the problem, they're going to put the heat on to see the solution is brought about; is that a fair—

Mr. HILTON. Yes. It's a very common situation. For example, you have the same thing in airports, where the nature of the pricing of runways, not differentiated by the hour of use, gives rise to a political demand for additional airports. Here it gives rise to a political demand either for freeways paralleling existing ones out of cities, or for rail transit. I would argue that both of these are waste, basically, but they are usually looked upon as the alternative solutions to a problem.

Mr. CLEVELAND. One of your suggestions is that we would solve this problem to a certain extent by making it more expensive to drive a car, at the time and place contributing to traffic congestion. Am I correct, that

this is technologically possible and that there have been some experiments in England? Are you aware of those?

Mr. HILTON. I'm not aware of experiments in England. The City of Caracas has authorized some experiments in this. I was aware of the British academic interest in it.

The principal American academic proponent, Professor William Vickrey of Columbia, says that there are 15 technologically feasible ways, of which he recommends a meter on the vehicle actuated from impulses coming from a wire imbedded in the street, with the number of impulses varying on the basis of the social cost of driving.

What I'm arguing for is pricing to make more efficient use of existing facilities, rather than building additional facilities which would either be redundant, or in the case of rail transit, entirely wasteful.

Mr. CLEVELAND. I have an idea in this area that I would like to propose to you, or ask if you know of any research that has been done in it, or if there is any precedent for it:

Last year when we were debating diversion of Trust Fund moneys for the purpose of mass transit, particularly rail transit, my attention was caught by a series of articles. One was in the *Wall Street Journal*, dated Monday, March 20th, about the new World Trade Center in downtown Manhattan. This World Trade Center is going to have 9 million square feet of rental space, and that's half again, half again bigger than the Pentagon, and nearly three times bigger than the largest privately-owned office building in town.

Then, making a bad situation a lot worse, a little bit later in the *New York Times* we read about a massive new complex planned for the East River. It's going to cost $1.5 billion, and it is going to be in downtown Manhattan, and because of the space problem, they're going to build platforms out into the East River because they have used up all their space. There are going to be 9,500 luxury apartments, 6 million square feet of office building, a 1,000-car municipal garage, a 400-room motel.

Now, what this triggered in my mind is: here are these people in downtown New York building these great complexes, and pointing to them with pride—the *New York Times* is slapping them on the back, "just wonderful"—but nowhere in any of this do I read that before they build a building like this they're going to have to file some statement as to the impact on the transportation problem. The more money we throw in there trying to solve the transportation problem, the bigger and bigger they're building their buildings, and the more people they're drawing in.

TRANSPORTATION IMPACT STATEMENT

It's just as we're faced with the problem—we build a road and we have to file an environmental impact statement. So doesn't it make some sense that before a builder or developer builds one of these gigantic complexes, he should have to file some sort of transportation impact statement and to explain to somebody's satisfaction how you're going to get people in and out of the area?

Now, that's a long statement, and I'm not asking you to agree with me. I would like to ask you, professionally, if you know of any effort to correlate this type of massive piling up of complexes like that with the transportation problem, or do you just build it and then go running down to Washington saying, "We need more"?

Mr. HILTON. There are numerous requirements for statements of the transportation impact of constructing buildings in Los Angeles, for example. One has to show that one is providing parking facilities for a specified percentage of the people who are expected to use them.

The comment I will mainly make about what you said is that the existence of a rapid transit system is an incentive to build high-rise buildings like that. On the one hand, the rapid transit is already there, and on the other hand, it is usually in very bad shape financially and such buildings will generate a demand for transit.

You see it here in Washington. It is recognized that the Metro, when completed, is likely to have great difficulty in covering its variable expenses, and one way possibly to deal with this is to raise the height limitation in the city.

If a high-rise building is built in the city, one can't reasonably expect more than 15 percent of the people using it to use rail transit, if that's available. The other 85 percent will use buses, automobiles, sidewalks—just to say use the roads. This is why I mention the existence of a rail system, in general, makes a negative contribution to problems of congestion and pollution, rather than a positive one.

Mr. CLEVELAND. Just one more question.

Many of the people who are pointing to the need for mass transit are invoking the rhetoric to the effect that "these poor people without cars, this is going to be for them."

We have had some testimony before the Committee that this is not so, that most of these proposals—are for affluent suburbanities, to get them from their hideaways in the hills down into the financial markets where they make a lot of money and then go home at night.

Would you like to comment on that?

Mr. HILTON. Yes, very much. I think what you have said is perfectly correct, that these facilities do, in general, carry people from high-income suburban areas. The urban poor, as I noted a few minutes ago, simply don't want to go downtown to the extent to which their predecessors did.

RAILS AID AFFLUENT

You will notice this very clearly in the experience of the Illinois Central Railroad suburban service in Chicago. It is an electrified suburban service with stations at frequent intervals in the nature of a rapid transit line. The managers find that as the south side ghetto expands along their line, the demand for the service almost evaporates, simply because the residents don't want to go downtown in any large numbers. Increasingly, their ridership is concentrated on people coming from the extreme south end of the system going downtown.

This means that the modern generation of rapid transit systems, of the character of the BART and Metro here, are almost certainly regressive expenditures. They are almost certainly expenditures on taking high-income people to their jobs. Jobs in the central business district come to be concentrated among the higher educational levels, partly because the retailing function of the central business district declines. The clerical jobs in central business districts decline as the people who do them are replaced by computers.

What is left in the central business district is especially the financial community and central offices of certain other types of businesses, such as oil companies, for example. Thus, the trip tends to reduce in numbers who are making it, but it tends to be more concentrated in high-income and educational levels. You run into the problem that the rail systems provide almost exclusively the trip downtown, but the trip downtown is taken by people who are in successively higher income brackets, and they manifest a tendency to turn away from it towards the automobile as their incomes go up.

Mr. CLEVELAND. Is it a fair inference for me to make from your remarks, and from the other testimony that we've had, that any attempt to sell mass transit, particularly rail mass transit, invoking the image of helping the poor, that it cannot be substantiated at least on the basis of your studies?

Mr. HILTON. That's perfectly true. Even existing urban bus systems very imperfectly serve the needs of the urban poor. These monopolized urban transit systems, such as we have in the cities, in general tend to generate sufficient traffic density to justify lines only on trips into the central business district, which are declining in number.

The employment opportunities open to the urban poor, as other speakers today have pointed out, are mainly in suburban areas. The most unsuccessful series of projects which the Urban Mass Transportation Administration has undertaken—and this is an administration which has produced almost nothing but failures, almost nothing it has done has succeeded, with the exception of express bus services on freeways—the most unsuccessful category of projects was running reverse commutation trips from urban poverty areas to suburban factories and other places of employment. This series of projects was so unsuccessful that the General Accounting Office studied it and concluded that it was so unsuccessful that it was not worth continuing, and that continuing it would be a subsidy of operations which would be beyond the statutory authority of the Administration. The GAO requested termination of these projects.

LOSSES CITED

The net loss on moving people ranged from 39 cents per person to $7.40. It was found in St. Louis, for example, where there was a net loss of $7.40 per trip to provide the service, that the typical rider took a small number of trips, and after that he bought his automobile and deserted the service.

Unfortunately, or fortunately, as the case may be, the urban poor's demands for transportation are so diffused that essentially only the automobile, or a jitney system, which would be automobiles and buses operated by owner-operators, can serve their needs.

Mr. CLEVELAND. The gist of your testimony is quite alarming, because you're not only suggesting—or at least I would infer from what you have said—that we shouldn't take Highway Trust Fund money and pump it into urban mass transit, but it sounds to me as if you're questioning whether we should take any money, even if they had it.

Mr. HILTON. I should say that saying I question it is an understatement.

LEGAL SERVICES GRANTEES—HEADQUARTERS GRANTS AND REGION I THROUGH IV

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 10 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, in response to many inquiries I have received from my colleagues concerning the legal services program, I have asked Acting Director J. Laurence McCarty to prepare a chart on the current status of each grantee. The first able lists all of the "headquarters grants," including the vital back-up centers and training programs. The subsequent tables contain information, on a regional basis, on each of the programs engaged in the delivery of legal services.

An "X" indicates that a refunding decision for 12 months was made during fiscal year 1973. Longer grants are denoted by the number of months. The terminal date for each of these grants is listed under the heading "Program Year End."

Where refunding has been on a less than full year basis, this partial grant is indicated by a "P." The columns labled "Partial funding—number of months"—

and "Expiration of partial funding" describe the current status and terminal date for each of these temporary extensions.

An "N" indicates that a refunding decision has not yet been made. The columns for "Program Year End" and "Expiration of Partial Funding" state when such programs lose their funding in the absence of positive action.

Programs which are operating under long-term funding authorized during a previous fiscal year are designated with an "fiscal year" and the appropriate date.

The last two columns for each grantee—"Tentative remaining months planned" and "Tentative PYE after funding remaining months"—provide long-range prospects for programs which have not been refunded on a full year basis. However, it must be stressed that these two columns simply describe "tentative" planning and do not represent a commitment for further refunding from the Office of Legal Services.

I am sure all who are interested in this important program will want to make a careful study of the material which has been prepared by the Office of Legal Services. I include it at this point in the RECORD:

OFFICE OF LEGAL SERVICES, FISCAL YEAR 1973

Grantee Number	Name	12 month funding made during fiscal year 1973	Program year end (PYE)	Partial funding (number of months)	Expiration of partial funding	Tentative remaining number of months planned	Tentative program year end after funding remaining months
	HEADQUARTERS						
	Indian reservations:						
91164	DNA, Ariz	P		5	May 1973	6	November 1973.
70078	Papago Tribe	X	October 1973				
80055	North Dakota LS	P		5	May 1973	12	May 1974.
80045	South Dakota LS	X	December 1973				
81052	Wind River Wyo	X	February 1974				
50048	Leech Lake	X	March 1974				
60037	Zuni	N	June 1973			12	June 1974.
	Research and demonstration:						
31589	U.S.C., National Senior Citizen's Law Center	X	do				
50867	Central State University	P		6	June 1973	(1)	(1).
50020	CLEO	X	June 1973			(2)	(2).
00823	Seattle Paralegal	X	July 1973				
70006	St. Louis Paralegal	X	do				
30053	Center for Corrective Justice	Fiscal year 1972.	October 1973				
30075	Urban Law Institute Antioch	X	August 1973				
30097	National Clients Council	X	September 1973				
10087	Dixwell Legal Rights	P		4	April 1973	(3)	
30019	Paralegal Institute	N	January 1973			(4)	
50005	Cook County Computer	N	May 1973			3	August 1973.
80011	Denver Paralegal	N	April 1930			(4)	
50014	Institute for Consumer Justice	Fiscal year 1972	December 1973	(5)	(5)		
10072	Council of Elders	do	June 1973	(6)	(6)		
90043	California State Bar	X	September 1973				
	Training and support:						
80026	University of Colorado Indian Center	Fiscal year 1972	June 1973			(4)	
90037	University of California Housing Center	P		6	June 1973	(4)	
90037	University of California Economics Development Center	P		6	do	(4)	
30360	UCLA Health Center	P		11	August 1973	(4)	
20089	Bureau of Social Science research	X	August 1973				
50043	NLSP Center Welfare	13 months	do				
50105	Northwestern University	15 months	March 1974				
B1C5292	Catholic University training	P		10	June 1973	(4)	
10301	Harvard University Education Center	P		3	April 1973	(4)	
70027	St. Louis University Juvenile Center	X	September 1973				
90522	S.F. Youth Law Center	14 months	do				
10061	National Consumer Law Center	P		11	November 1973	(4)	
30057	Migrant legal action program	P		4	April 1973	(4)	
20051	N.Y. Law Association Employ	P		4	do	(4)	
B005101	Comm. Clearing House	N	May 1973			(4)	
50020	ABA Comm. on Corr. Facilities	Fiscal year 1972.	do			(4)	
50058	Howard U. Reg. Heber Smith	X	July 1973				
51525	National Aid and Def. Ass. (T.A.)	Fiscal year 1971.	do			(4)	
B2C5378	ATAC. Evaluation Contract	Fiscal year 1972.	March 1973			(4)	
	REGION I						
12070	Rhode Island	X	July 1973				
10242	Lynn, Mass	X	August 1973				
10363	Massachusetts Law Reform	X	September 1973				
10000	Bridgeport, Conn	X	do				
11663	Stamford, Conn	X	do				
10134	Norwich, Conn	X	do				
10101	New Haven, Conn	X	October 1973				
10062	Middletown, Conn	X	do				
10282	Lowell, Mass	X	do				
10378	Fitchburg, Mass	X	do				
10264	Springfield	P		1	Combined with Western Mass.		
10011	Western Mass., Holyoke	X	October 1973				
10036	New Hampshire	X	November 1973				
10030	Hartford, Conn	X	December 1973				
10209	Cape Cod, Mass	X	do				
10324	Boston, Mass	P		6	June 1973	6	December 1973.
10040	Cambridge, Mass	X	December 1973				
10224	New Bedford, Mass	X	do				
12020	Revere, Mass	14 months	February 1974				
10001	Toland Windham, Conn	X	December 1973				
10175	Maine	P		6	September 1973	6	March 1974.
10045	New Britain, Conn	X	April 1974				
10105	Waterbury, Conn	P		10	August 1973		
10389	Worcester, Mass	P		6	October 1972	6	April 1974.
11501	Vermont	Fiscal year 1972.	June 1973				
	REGION II						
20519	Trenton, N.J	X	July 1973				
20055	Presbyterian Sen. S., N.Y	X	do				
21158	Nassau, N.Y	X	do				
21497	Virgin Islands	X	do				
20020	Atlantic City, N.J	X	August 1973				
20053	Up-State, N.Y	15 months	November 1973				
20699	New York City (CALS)	P			July 1973	(7)	(7).

Grantee Number	Name	12 month funding made during fiscal year 1973	Program year end (PYE)	Partial funding (number of months)	Expiration of partial funding	Tentative remaining number of months planned	Tentative program year end after funding remaining months
20023	Ocean Monmouth, N.J.	X	September 1973				
22081	Hudson Co., N.J.	X	October 1973				
20526	Middlesex Co., N.J.	X	do				
21811	Passaic Co., Patterson	X	do				
21095	Buffalo, N.Y.	13 months	November 1973				
21183	Niagara, N.Y.	do	do				
21045	Chautauqua, N.Y.	do	do				
21050	Chemung, N.Y.	X	October 1973				
21236	Rockland, N.Y.	X	do				
21009	Albany, N.Y.	N	December 1972			12	October 1973.
20438	Camden, N.J.	X	November 1973				
20581	Somerset	X	do				
21500	Westchester Co., N.Y.	P		10	September 1973	(1)	(1).
20053	Mid-Hudson Valley, N.Y.	P		11	October 1973	(1)	(1).
22089	Elizabeth, N.J.	X	December 1973				
22092	Newark Essex, N.J.	P		9	September 1973	(1)	(1).
22092	Essex, N.J.	P		9	do	(1)	(1).
20479	Newark, N.J.	P		5	May 1973	4	September 1974.
21191	Utica, N.Y.	P		11	November 1973	(1)	(1).
21027	Broome Co., N.Y.	X	December 1973				
21477	Puerto Rico	P		8	September 1973		
21130	Rochester, N.Y.	P		10	November 1973	(1)	(1).
20050	Orleans, Albion, N.Y.	P		10	do	(1)	(1).
21890	Syracuse, N.Y.	P		10	do	(1)	(1).
20422	Bergen Co., N.J.	X	February 1974				
	REGION III						
31176	Charleston, W. Va.	X	August 1973				
30008	Wilmington, Del.	X	September 1973				
30076	Washington, D.C.	X	do				
30396	Baltimore, Md.	X	do				
30707	Pittsburgh, Pa.	X	do				
30924	Philadelphia, Pa.	X	do				
31136	Richmond, Va.	X	do				
31201	N. Central, W. Va.	X	October 1973				
30820	Chester, Pa.	X	November 1973				
30039	Charlottesville, Va.	X	do				
30872	Wilkes-Barre, Pa.	X	December 1973				
30955	Wash. Greene, Pa.	X	do				
30856	Scranton, Pa.	X	January 1974				
30764	Bucks Co., Pa.	X	February 1974				
31141	Roanoke, Va.	X	April 1974				
31222	Mingo Co., W. Va.	X	do				
30803	Harrisburg, Pa.	Fiscal year 1972	September 1973				
30985	York, Pa.	do	do				
30769	Cambria Co. Johnstown, Pa.	do	do				
31165	Tech Foundation	P		4	April 1973	(1)	(1).
Note 31208	Mercer County, West Virginia funded from sec. 222 funds through August 1973—Future funding not determined at this time.						
	REGION IV						
40462	Huntsville, Ala.	Fiscal year 1971	July 1973				
40459	Georgia Legal Services	do	do				
40137	Louisville, Ky.	X	August 1973				
40132	Northeast Kentucky	X	do				
40260	Daytona Beach, Fla.	X	September 1973				
40961	Florida Rural Legal Services	X	do				
40192	Tampa, Fla.	X	do				
40593	Charlotte, N.C.	X	do				
40512	Durham, N.C.	X	do				
40590	Greenville, S.C.	X	do				
40460	North Mississippi Rural	X	October 1973				
40573	Charleston, S.C.	X	do				
40429	Winston-Salem, N.C.	X	November 1973				
40061	Birmingham, Ala.	X	December 1973				
40358	Atlanta, Ga.	X	do				
40461	Clarksdale, Miss.	X	do				
40420	Memphis, Tenn.	X	do				
40477	Jackson, Miss.	X	do				
40457	Knoxville, Tenn.	X	January 1974				
40851	Nashville, Tenn.	X	do				
40756	Elk Duck, Tenn.	P		5	June 1973	(4)	
40559	Jacksonville, Fla.	X	April 1974				
40626	Columbia, S.C.	X	May 1974				
40867	Miami, Fla.	X	June 1974				
40713	Chattanooga, Tenn.	X	March 1974				

[1] Demonstration terminated.
[2] To be transferred to HEW.
[3] Terminal grant.
[4] Not determined.
[5] Did not request refunding.
[6] 1 time grant extension.
[7] Regional funding plan less than 12 months.
[8] Other grantees to be determined.

CALL FOR CONSTITUTIONAL CONVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, today, I have introduced a bill that provides for a reasonable and orderly process by which an article V Constitutional Convention can be called and conducted. It is urgently needed to supply answers to the perplexing questions which have been raised concerning this method of amending the Constitution.

My interest in this legislation arises because of the need to amend the Constitution to prohibit busing for reasons of race, creed, or color. Across the country there are many who favor such an amendment and who have taken the initiative with their State legislatures. I am told that already 9 State legislatures have adopted resolutions calling for a convention with respect to this subject and that over 20 other State legislatures are considering such action. This group obviously has a special interest in legislation which would provide the mechanics for the calling of a constitu-

tional convention. Thus it is conceivable that the States will mandate the call for a convention in the not too distant future.

Mr. Speaker, passage of this legislation would resolve a number of questions which could be raised and have already been raised concerning the amending of our Constitution by a method which has not been used in modern times.

I am hopeful, of course, that two-thirds of both the House and Senate will approve the constitutional amendment to prevent forced racial busing which I have introduced and that it will be approved by three-fourths of the State legislatures. But even if that is approved, the procedure for holding a Constitutional Convention ought to be established. The procedures need to be set out.

I am concerned that the powers of a Constitutional Convention be limited. The words "that such convention would have power only to propose the specific amendment and would be limited to such proposal" provide the limitation. Presently, a Constitutional Convention lacking guidelines could propose a proliferation of amendments and revisions. The bill I have introduced is identical to the one introduced in the other body by Senator ERVIN of North Carolina.

I encourage my colleagues to support this proposal as both timely and appropriate.

BENEFITS TO ASBESTOS WORKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FRELINGHUYSEN) is recognized for 10 minutes.

Mr. FRELINGHUYSEN. Mr. Speaker, today the entire 15-member New Jersey delegation is introducing a measure designed to provide benefits to asbestos workers who have become incapacitated, and to dependents of workers who have died from asbestosis or mesothelioma—two diseases which occur as a direct result from exposure to asbestos dust.

Manville, located in New Jersey's Fifth Congressional District, which I represent, is the home of the world's largest manufacturer of asbestos products—the Johns Manville Co. Over a period of years, many of the workers at the Johns Manville plant have become victims of asbestosis or mesothelioma. Asbestosis is a severe scarring of the lungs caused by inhaling asbestos fibers over the course of many years. Beginning as a mere shortness of breath, asbestosis develops into a near paralysis that makes breathing and bodily movement increasingly difficult. In the end, the victim's lungs function so marginally that, if the individual does not suffer death from respiratory illness such as pneumonia, he will eventually suffocate. Mesothelioma is a form of chest or abdominal cancer that accounts for only one out of 10,000 deaths in the general population, but which has in the last 8 years claimed the lives of at least 58 Manville residents.

In December, 1970, Congress passed the Occupational Safety and Health Act, which established a mechanism for promulgation and enforcement of health and safety standards. One of the standards which has been developed under that law pertains to acceptable levels of asbestos dust for human exposure. Thus it is expected that from now on, problems resulting from exposure will no longer occur. However, there are many workers who have suffered disability or death as a result of past exposure, and few States provide benefits under existing workman's compensation laws. It is the purpose of this measure to correct that unfortunate situation.

Patterned on the landmark "black lung" measure, which provides benefits to coal miners, our bill, after an initial period of Federal responsibility, would provide a mechanism for transferring responsibility to the States.

We are particularly gratified that Representative DOMINICK V. DANIELS has agreed to cosponsor this measure, since he serves as chairman of the Select Subcommittee on Labor, which will probably have jurisdiction over the bill.

TO PROTECT THE ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 10 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, President Nixon has proclaimed this week, April 8–15, as Earth Week, 1973. It is good to have this occasion to renew our dedication to preserving and conserving our national beauty and our natural resources.

I am taking this opportunity to introduce three bills aimed at protecting the environment and increasing public enjoyment of it. The first calls for the preservation of the beautiful gorges of the West Fork of the Sipsey Fork of the Warrior River in the Bankhead National Forest.

The preservation of the Sipsey Wilderness in Alabama is a vital project and worthy of the full consideration of the Congress. This area, if preserved, will mean many things to many people. To some, it will represent endless opportunities for outdoor recreation, from hiking and hunting to nature photography and camping. To some, it will provide the poetry of solitude and stillness, the chance, as Thoreau put it, "to live deliberately, to front only the essential facts of life." To some, it will mean the unexcelled scenic beauty of the thirty miles of gorges, the streams, the canyons, and the forests populated by deer and wild turkey. To some, it will mean botanical findings, to other an investment for the future , a natural legacy for Americans yet unborn.

But Mr. Speaker, which ever of the many reasons one chooses, the conclusion is the same: the Sipsey Wilderness should be preserved.

The second bill increases the Federal contribution to 90 pecent of the cost of shore restoration and protection projects. The Congress is aware of the many reasons why it is imperative to halt beach erosion and why it is important that we take all necessary steps to preserve our Nation's seashores. Beaches and dunes are the primary line of defense against the destructive power of the sea for many inland areas contiguous to our coasts. No less a purpose than the protection of lives and property is thus served by the preservation of our beaches.

It is estimated that 53 percent of America's population, or about 106,000,000 people, live within 50 miles of the coasts of the Atlantic and Pacific Oceans, the Gulf of Mexico and the Great Lakes. To an American public with more and more leisure time, it is important that recreational opportunities be expanded and that existing facilities be protected. Beach preservation can serve this purpose by enhancing the beauty and usefulness of our shores. The esthetic value of beaches has been described more precisely by poets, artists, and writers than I could do here, but I think we are all aware of the need to preserve the great natural beauty of our country. Certainly some of the greatest areas of this natural beauty are those localities where the sand and the sea come together.

The third bill authorizes a feasibility study of the Bartram trail in Alabama. This trail, which follows the journey of naturalist William Bartram through Alabama in 1775, enters the State from Georgia about due east of Montgomery, approaches the Montgomery area, and then goes south to Mobile. William Bartram studied and identified the wide variety of wild floral life as he traveled, and it is fitting that a walking trail be established to allow the public to conveniently share in the natural treasure of this area.

Astronaut Frank Borman commented, after viewing the earth from afar, that he was impressed by:

> The absolute fact that our environment is bounded, that our resources are limited, and that our life support system is a closed system. The only real recourse is for each of us to realize that the elements we have are not inexhaustible. We are all in the same space ship.

I urge the Congress to give full consideration to these pieces of legislation. We have made good progress in the past in improving the environment. Working together and with the support of the American people, we can meet the challenges of conservation that lie ahead.

ESTABLISHING A SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. HEINZ) is recognized for 5 minutes.

Mr. HEINZ. Mr. Speaker, on the opening day of Congress, I introduced legislation to create a Select Committee on Aging. I am pleased to report that yesterday, Mr. RANDALL, the distinguished chairman of the Special Studies Subcommittee of the Government Operations Committee, which has been investigating the problems of aging, has joined me in sponsoring a resolution to create a Select Committee on Aging in the House.

It was in serving under Chairman RANDALL that I gained some insight into the problems faced by 20 million Americans who are over 65. It is significant that in the last year, the House has con-

sidered legislation which has profound effects on the lives of older persons. Last year it passed legislation increasing Social Security benefits by 20 percent, and we have now passed major legislation, the Older Americans Act, which goes a long way toward filling the gaps between the social security provisions and the aid and programs government can provide to allow older citizens to live with dignity and self-sufficiency. However, because of the complex nature of the problems of aging, I believe we require a special committee which can centralize information and serve as a clearinghouse on the problems of aging. As it now stands, there are minimally eight committees which consider legislation directly affecting programs for the aging. These are the Committees on Education and Labor, Banking and Currency, Interstate and Foreign Commerce, Post Office and Civil Service—Retirement and Employee Benefits Subcommittee, Veterans Affairs, Ways and Means, Government Operations, District of Columbia, and Appropriations—Health, Education, and Welfare, and Labor Subcommittee.

More to the point, however, programs which affect the aging are tucked away in legislation considered by all the legislative committees of the House.

Because of these divisions, it is difficult for any of us to get a clear impression of the operation of programs and more important, the possible shortcomings of overlapping of programs produced by committees with different jurisdictions.

At a point in our history when we have become keenly aware of the need to be fiscally responsible and to spend our taxpayers' dollars wisely, I can think of no more important mission than to develop legislation for our deserving elderly which would be effective in anticipating the interrelationship of the problems of an increasing proportion of this country's population. Such a committee could not only provide information and services to standing committees, but it could also apply itself to the task of analyzing the broad sweep of legislation for the aging. It could make periodic reports on topics of general interest in this area, and it could examine and work for the implementation of recommendations coming out of the White House Conference on Aging, which has stimulated and set the tone for much of the debate.

This year, as we consider bills which affect the lives of people over 65, and millions more Americans, now approaching the age of retirement, we have no rational system in the House of Representatives for evaluating their potential effects on the people they are designed to affect, nor can we tell how they really mesh with legislation we have passed or considered, or legislation we have passed which takes effect at a later time. If we are to do our job more effectively, I believe it is important for us to consider Mr. RANDALL's and my resolution. In the coming weeks, I hope that all of my colleagues who feel a commitment to our senior citizens will join Congressman BILL RANDALL and I in supporting this resolution which can benefit so greatly those who are undoubtedly this Nation's greatest but most undervalued asset.

ROLE OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 5 minutes.

Mr. MCFALL. Mr. Speaker, Time, Inc., sponsored its 50th anniversary dinner in Washington, D.C., on January 31, at which several of our eminent Members spoke. The editor-in-chief, Hedley Donovan, outlined the objectives of the Time, Inc., "Role of Congress" project, and I enter it in the RECORD today:

ROLE OF CONGRESS

Mr. DONOVAN. Ladies and gentlemen, would you rise, please? The invocation will be given by the Chaplain of the Senate, the Rev. D. Edward L. R. Elson.

Reverend ELSON. Let us pray.

God of our fathers and our God, we thank you for this land that Thou has given us for our heritage, for the heroes' valor, the patriots' devotion, the toil of hand and brain, that have brought us to this hour.

To Thee, we give thanks for our servant, Henry Luce for, his goodly heritage and family and training, for his dedication to Thee and to this country, for his lofty ideals and exacting standards. his executive skills, his literary talents, for his shaping of human destiny and his unfailable faith in the vision of a new world whose Builder and Maker is God.

We pause this night to remember before Thee, thy servant, John Stennis.

Surround him with healing ministry and grant to him an awareness of Thy nearness.

Now, make sacred our associations about these tables this night enriching our lives, blessing our food and keeping us ever mindful of the needs of others. In the Redeemer's name, we pray. Amen.

Mr. DONOVAN. Mr. Speaker, Senator Scott, members of the Congress, distinguished guests from the Executive Branch, coequal guests, of course ladies and gentlemen:,

I want to thank all of you most warmly for meeting here with us this evening. I hope it doesn't strike you as presumptuous for TIME to come down from New York to Washington, to move in on your city, and assume the privilege of giving a dinner in honor of the Congress.

The truth is we think of this also as our city, and we think of the Congress with pride and hope as Americans and with a lively curiosity as journalists. We think of the Congress as our Congress.

As we begin our program this evening, may I express my thanks, too, to the secretary of the Smithsonian Institution, Dr. S. Dillon Ripley, and to Mr. Marvin Sadik, the director of the National Portrait Gallery, for allowing us the use of this noble hall.

Fifty years ago this week a couple of ridiculously young men, Henry Luce, age 24, and Briton Hadden, age 24, were putting together the semi-final dummy, or mockup, of a little paper they proposed to call "Time, The Weekly Newsmagazine." Well, there had been some problems about the credit rating of what the young men were already calling Time Inc.; nobody had gotten any days off for two or three months; the office was unheated over the weekends; there were strenuous editorial arguments. But Vol. I, No. 1, did appear, dated March 3, 1923.

The cover story in that first issue of Time—and the cover story was an important journalistic invention in itself—was on "Uncle" Joe Cannon of the House of Representatives.

Cannon was no longer Speaker in 1923 and, in fact, was retiring from politics that year. For their first cover story the young editors could, of course, have treated the whole world as brand-new territory—they might have chosen the King of England for their first cover story, or the Pope, or Mary Pickford, or Charlie Chaplin, or General Pershing or Marshal Foch or Marshal Hindenburg (that would have been likely to bring in a little mail) or Lenin (that might have brought in some mail, too) or Jack Dempsey or Babe Ruth—but they narrowed it down to a choice between President Harding or Joe Cannon of the House, and they chose Cannon.

That cover story was the first of 150 cover stories that Time has published on members of Congress over these 50 years, the most recent on January 15, 1973. During these same 50 years, by the way, there have been 67 cover stories about Presidents. The souvenir book at your places this evening has a few sentences from each of these congressional cover stories, and I hope you will find in these quick portraits a touch of valid history, some interesting memories and reminders, and maybe a surprise or two.

We at Time Inc. have had a long and close professional involvement with the Congress, not only in the pages of Time, the Weekly Newsmagazine, but in Life and Fortune, and once in a while even in Sports Illustrated, also in some of the books we have published, and in film, radio and TV programming that we have had a hand in.

When it came to the 50th anniversary of our company, we thought we should do some work as well as some celebrating. As a special journalistic assignment, we chose "The Role of Congress" with particular focus upon the relationship of the Congress and the Executive Branch in 1973 and the years immediately ahead. And still more specifically, we have been inquiring whether the legislative role is eroding, and the executive role is expanding in a way that throws the American system fundamentally and perhaps dangerously out of balance.

In recent weeks we have held four meetings on this theme, in Atlanta, Chicago, Los Angeles and Boston, with Senators, Representatives, academic scholars and Time Inc. editors taking part. You have all been mailed a working notebook summarizing those discussions.

We heard a very striking variety of opinion at these four meetings on the present position of the Congress, and what might be done about it, but there was one opinion we did not hear. Nobody wanted to stand up and say the Congress is working just the way it was intended to; nobody argued that the relationship with the President is exactly right. Nobody said everything is just fine.

Senator Ribicoff, who has had some executive experience as well as legislative, said at our Boston meeting that every President he has known comes sooner or later to regard Congress as a pain in the neck. In Los Angeles, Congressman Morris Udall said: "If there was one thing that haunted the founding fathers 200 years ago, it was the fear of concentrated power." But, starting with the Depression and World War II, he said, we have been "sidetracked from our system of checks and balances."

Senator Packwood said our Government is in danger of becoming an "executive monarchy"; the Congress seems to be turning into the vetoing body, not always making its vetoes stick, but with all policy initiation passing to the White House. My colleague, Neil MacNeil, Time's senior congressional correspondent for the past 15 years, said it may be necessary to stuff a Congressman and put him in the Smithsonian so future generations will know what this creature looked like.

I do not believe Dr. Dillon Ripley has yet responded to this suggestion.

But Neil MacNeil who is a student of the 19th century congresses as well as the 20th, also thinks that the individual caliber of the individual men and women in the 93rd Congress may be higher than ever before in our history. So you surely have much to build on here. And my colleague Max Ways writing in

the January issue of FORTUNE, reminds us that the U.S. Congress, with all its difficulties and shortcomings is still in many respects the strongest parliament in the world. Its weakness is relative to the tremendous accretion of power around the presidency in the past 40 years, and its inadequacy is relative to the complex needs and stresses and opportunities of our society in the 1970s.

The underlying question, as we see it in our publications, is whether at the highest level of national government this country still sees a place for collective wisdom, drawn from the judgments and insights of many people—even as many as 535 people—as well as for the centralized, individual decision making that is also essential in our system.

We in Time, Inc., in urging that the Congress can make a more meaningful and constructive contribution to public policy, do not consider ourselves to be attacking the presidency as an institution, or any particular Presidents, past or present. Nor do we approach our inquiry as spectators at a sporting contest between the Executive and Legislative Branches, rooting for one side or the other and keeping a box score on who is momentarily ahead. It is more serious than that.

In each of the modern presidencies, no matter what the party line-up or the personal temperament or background of the President, a situation seems to come sooner or later in which the White House is isolated from congressional advice. The voice of Congress may, in fact, be muted by its own institutional shortcomings. But our magazines believe the abilities and experience that are assembled in the Congress have much more to contribute to the public well-being than is now realized. That is our bias, as journalists and citizens. That is our ax to grind.

President Nixon begins his second term with a spectacular election landslide just behind him. The Congress also has a mandate, as TIME pointed out in our cover story of January 15, since 80% of all the incumbent Senators seeking re-election did get re-elected, as did 96% of the Representatives. And Congress and President face each other, for the first time in more than a decade, with freedom from the divisiveness of Viet Nam.

It is the 93rd Congress and the 94th, of course, that will carry us up to 1976 and the 200th anniversary of American independence. What a wonderful thing it would be if the 93rd and the 94th—I assume you will all be back—could be dedicated to a restoration of the Congress as a truly coequal branch of our Government. And what a wonderful thing if President Nixon, who himself served in both houses of the Congress, and who so often affirms his faith in fundamental American values and institutions, were to devote some large part of his concern to this same question.

For 1976, and all that ought to mean to us, what could be a more fitting witness to the democratic ideal than a Congress—535 men and women, a good resounding number of outstanding people, chosen by the people—that had become a Congress truly capable of policy initiatives.

We do need a strong presidency, and strong Presidents. And we also need a presidency capable of deriving strength from a strong Congress.

Let me touch on one last point, before I present our distinguished speakers, a point about Congress and the press. Henry Luce once wrote: "Human interest is not only the most interesting kind of news, it is also the truest, i.e., the nearest approach to the way events actually happen."

And he recalled that Time's journalism began by being deeply interested in people, as individuals who were making history, or a small part of it, from week to week. We tried to make our readers see and hear and even smell these people as part of a better understanding of their ideas.

As those 150 Time cover stories, and many other articles in Time and our other publications show, our magazines have been deeply interested in members of Congress as people, and as personalities through whom and around whom journalism can convey some of the realities of government and national policy. But it must be admitted that 535 members of the Congress are a much more diffuse and difficult subject than the one man in the Oval Office. And I must admit that at least a few of those 150 cover stories got there because the Senator or Congressman was running for President, or at least was suspected of having some intentions along that line.

Some of the problems and procedures of Congress may simply defy treatment by a journalism of personalities. Luce also reminded his editors there are times when "you really have to work to make the Important interesting Capital 'I', Important; Capital 'I', Interesting." Harry Luce was very partial to capital letters.

But it is work, I think that can be very rewarding, for journalism and for our country. So if I had a 50th birthday resolution to offer on behalf of Time Inc., so far as our coverage of the Congress is concerned, it would be that we might broaden journalism's star system, discover new stars, celebrate more stars, and work still harder at telling the stories that don't always resolve around a star.

Journalism has been a somewhat embattled profession these past few years. I suspect that state of affairs will continue for at least the next four years, perhaps longer. I hope we, the press, can learn to listen without self-righteousness and without panic to a certain amount of criticism—some of which is well merited—and that we might even benefit from it.

The freedom of the press does not exist just so it will be fun to be a journalist—though, incidentally, it is fun. The freedom of the press exists to serve a free people, to help keep them free.

James Madison wrote long ago: "Knowledge will forever govern ignorance and the people who mean to be their own governors must arm themselves with the power knowledge gives. A popular government without popular information or the means of acquiring it, is but a prologue to a farce or tragedy or perhaps both."

INDUSTRIAL EQUIPMENT RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, I am a cosponsor of the amendment to the supplemental appropriation restoring $1.8 million for the national industrial equipment reserve. The reasons for support of this program are many, and they have been convincingly explained by Mr. ANDERSON of Illinois and others. I would like to supplement these arguments with a specific example from my own district.

Kirkwood Community College in Cedar Rapids has been participating in the NIER program for 9 years. It has been a boon to the entire community. At least one local industry located in Cedar Rapids in large part because of these training facilities. During this time about 60 to 70 students per year have been trained or have upgraded their skills in the Kirkwood shops on equipment loaned under NIER. They have become valuable additions to the economy of the area in a variety of industrial and mechanical positions.

Without NIER, Kirkwood would not have such a program. If NIER is not continued, they will have to curtail and eventually eliminate this type of training. Some of their equipment is now 30 years old or more, and it must be replaced. The equipment is in use from 7:30 in the morning until 11 o'clock at night. If newer equipment is not made available under the continued NIER loan, the college cannot afford to replace it.

Mr. Speaker, I hope the House will take the necessary step today to continue this worthwhile program by passing the amendment under discussion. It is hard to imagine a more productive use of Government resources.

THE SITUATION IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, the drift of events in the Middle East is disturbing and ominous. Recent actions of violence may well lead to more serious hostilities in the near future. What is particularly tragic about recent events in Khartoum, Cyprus, and Beirut is that most people here have come to expect such acts as commonplace: action and reaction, terrorism, reprisal and revenge are almost synonymous with the Arab-Israeli scene. And around the corner, it can be expected that the Egyptian Government, frustrated by its decreasing options at home and abroad, may resort to some military action in Sinai.

For the last several years, many have suggested that the situation in the Middle East is improving and that if it were not for a few desperate individuals, everything could be settled. It has also been a thesis that peace was gaining momentum and that the continued existence of a cease-fire along the Suez Canal is evidence of such momentum. There may be some truth in these assertions, but it is equally valid that violence has a momentum too, and that today the momentum is on the upswing.

There remains today an urgent need for diplomatic action on all fronts, before large scale hostilities are renewed. The United States must continue to condemn, in no uncertain terms, all sorts of violence. The memories of two front-line American diplomats, slain in Khartoum just over a month ago, will be as well served by new and vigorous efforts to end the no war-no peace stalemate as by viewing efforts to flush out terrorist leaders as a panacea for the Middle East's current ills.

Terrorism must be stopped and peace talks must begin. We, as Americans, should be undertaking major efforts on the diplomatic front with the hope that some negotiations between Israel, Jordan, and Egypt, direct or indirect, can begin before the cease-fire existing along the Suez Canal fades.

ALHAMBRA ORDER OF DEMOLAY WORKS TO IMPROVE OUR ENVIRONMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, I would like to call to the attention of my colleagues the fine efforts of the Alhambra chapter of the Order of DeMolay. About a year ago, the young men of DeMolay decided to do something positive toward improving the world around us.

Master Councilor Gene Erickson began a series of recycling and general clean-up projects which, during the last 9 months, have resulted in the recycling of over 26,000 pounds of glass, aluminum, and newspaper, and the cleaning up of several local streets in the San Gabriel Valley and the Mojave Desert.

In recognition of their efforts, the group was honored in February with a cover photo on the international DeMolay magazine and a full-page story with additional pictures. This publication is received by over 46,000 DeMolays and advisors in all 50 States and Canada and several countries in Europe and Asia.

I would like to congratulate the Alhambra Order of DeMolay for its most successful and valuable program. This dedicated group of young men certainly deserves our thanks. It is efforts such as theirs that are necessary not only to make a physical improvement in the world we live in, but also to increase our understanding of ecology and the realization that we must preserve our environment.

CAMBODIA BOMBING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, every day that the U.S. Government continues to bomb Cambodia, we violate the January cease-fire agreement, the Paris accords signed in March, and our own Constitution. We are told that we bomb because Hanoi is violating the cease-fire—but when have two wrongs made right?

We bomb Cambodia to prop up the hated Thieu regime in South Vietnam; and the administration's frantic scurrying to find justifications for the bombing cannot obscure that fact. If we have any respect for the agreement that Dr. Kissinger secured, we in Congress must demand that the United States fulfill its own part of the bargain. We must demand that the United States stop its illegal violation of this Paris accord, article 4 of which reads:

> The parties to this Act solemnly recognize and strictly respect the fundamental national rights of the Vietnamese people, i.e., the independence, sovereignty, unity and territorial integrity of Vietnam as well as the right of the South Vitenamese people to self-determination. The parties to this Act shall strictly respect the agreement and the protocols (signed January 27, 1973) by refraining from any action at variance with their provisions."

Further, article 8 reads:

> The parties to this act acknowledge the commitment of the parties to the agreement to respect the independence, sovereignty, unity, territorial integrity, and neutrality of Cambodia and Laos as stipulated in the agreement, agree also to respect them and to refrain from any action at variance with them.

How can we possibly claim to be living up to this agreement, while our B–52's bomb Cambodia more heavily than ever before during the whole war's course?

Pentagon spokesman Jerry Friedheim now tells us that the B–52 bombers are directing their air strikes against Communist storage areas, to blunt the flow of supplies into South Vietnam. The administration has also warned Russia and China not to send new arms to Hanoi, but Mr. Friedheim now says, "I do not know that we have any firm knowledge" that either Russia or China has actually shipped new arms to Hanoi since the cease-fire. The best intelligence estimate available, according to the Washington Post Foreign Service, is that the North Vietnamese are not bringing enough men and supplies down the Ho Chi Minh trail to mount a major offensive in the near future. So what is the bombing all about?

Defense Secretary Elliot Richardson has said that "the objective is to support the Cambodian Government in its effort to bring about a cease-fire." So once again we are bombing to make peace. Secretary Richardson also admitted, however, that the collapse of the U.S.-supported Lon Nol government would have a significant effect on the viability of the Thieu regime in South Vietnam.

Secretary Richardson also said, with colossal obfuscation, "It may be that North Vietnam is simultaneously moving down two tracks—one that could involve more war, the other that could involve a real, stable, and enduring peace"—and that the U.S. interest is to "try to help shunt them onto the track of peace." That game plan, we now hear, is to be accomplished by the invasion of South Vietnamese troops into Cambodia, with U.S. air cover.

Virtually all of the U.S. air and naval units that were in Southeast Asia before the cease-fire are still at bases in Thailand, Guam, and on four aircraft carriers in nearby waters.

The stage is set for major reescalation of the war that has never ended. Is the Congress going to permit this? I cannot believe that we will, when 70 percent of the American public repeatedly proclaim an intense desire to be finally finished with intervention in Asian affairs. We must press at once for passage of legislation, such as my bill H.R. 5821, requiring congressional authorization for reinvolvement of American forces in Indochina; and H.R. 3578, which would end all military involvement and military assistance to the nations of Indochina.

Mr. Nixon's military action in Cambodia was declared "utterly without constitutional foundation" by Alexander M. Bickel of Yale Law School and Raoul Berger of Harvard Law School, whose opinions were backed by former Attorney General Nicholas deB. Katzenback. They testified yesterday before the Senate Foreign Relations Committee in support of legislation defining and restricting the war powers of the President. Sixty Senators have cosponsored such legislation.

We in the House can do no less if we are to uphold the Constitution as we are sworn to do.

Furthermore, the Cornell Air War Study estimates that the bombing of Cambodia is costing U.S. taxpayers $4½ million a day. This is based on public reports that 140 fighter-bomber sorties occur each day, plus 60 B–52 raids. How does Mr. Nixon dare to veto the vocational rehabilitation bill, the rural water and sewer grant program? How does he dare withhold funds and propose to cut appropriations for programs that help our veterans, our unemployed, our young people, our children, our senior citizens? How does he dare to call such help too costly—and then single-handedly, without even the authorization of Congress, spend four and a half million dollars a day to kill Asians in their own country?

PUNISH THE GUN WIELDING CRIMINAL

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

Mr. SIKES. Mr. Speaker, I am introducing a bill providing additional penalties for the use of firearms in the commission of crimes of violence subject to Federal jurisdiction. It is identical to a bill I sponsored during the last Congress.

It was predictable, in the wake of the outrageous shooting of Senator STENNIS on January 30, that we would be deluged once again with a wave of antigun sentiment. The Washington Post, the Christian Science Monitor, and the New York Times among others, sounded the old familiar call against arms; and a number of our colleagues in both chambers responded with the usual range of proposals. National gun registration, national licensing of all gun owners, outlawing the sale of handguns, forbidding the possession of handguns altogether—take your pick; the arsenal has been growing steadily since 1968 and today we have proposals floating around of almost any degree of restriction on the ability of a citizen to purchase or own a gun.

From too many of the people who react so immediately to every sensational shooting with harsh antigun proposals we hear very little in the way of complaint against the Nation's judiciary and its handling of convicted criminals. It is an attitude we have become well acquainted with. It goes something like this: Crime and violence are intolerable; yet, on the other hand, we must not be vengeful toward the man responsible. A long sentence might damage his chances for rehabilitation.

The people who argue this way, Mr. Speaker, are in a quandary. They want a safe and secure society, but they also want to be kind and sympathetic to criminals. Therefore, they are in constant search of some regulatory scheme which will, in effect, protect these

criminals against themselves. Gun control for them is a perfect example. By making it difficult or impossible to acquire a gun, they hope the problem will go away.

Of course, the effect of such a backdoor approach to crime control is that everybody ends up being punished—not just the criminals. Regulatory schemes are universal in application, and all of them force the citizen to surrender some measure of freedom. The greatest burden inevitably falls upon the conscientious, decent people who abide by the law. As for the criminals, there is little in history to lead us to think we can prevent them from getting their hands on anything with which to commit crime, including guns. And this is certainly the case when the criminals feel they need not worry too much about the consequences of commiting a criminal act.

With these thoughts in mind, I once again propose this bill. Primarily, it goes after the repeater criminal. The present law, as contained in section 924 (c) of the Gun Control Act, provides that any person committing a Federal felony while armed may be sentenced to a prison term of from 1 to 10 years in the case of a first offense. The second time around, the man can get from 2 to 25 years. My bill would leave the penalty for a first-time offender as it is, but would provide a mandatory minimum sentence of 25 years for a repeater.

I see no reason for lenient treatment for the gun-carrying criminal who has gone out and committed the same crime twice. As far as I am concerned, he has proved at that point he ought to be put away for a long time for the protection of society. I reserve my sympathies for his victim.

Mr. Speaker, my bill is a gun control bill. It is not designed to create difficulties and harassment for the public at large. It does not create any additions to the bureaucracy for the purpose of enforcing some sweeping, costly regulatory system. It does not penalize American sportsmen and those citizens who need firearms for the protection of person and property. The proposal is aimed solely and altogether at the gun-wielding criminal. For that reason, it will find scant favor with those in the anti-gun movement. However, I hope that here in the House objectivity and sanity will ultimately prevail and that this bill will be promptly considered and passed. Society should punish the gun wielding criminal, not the law abiding weapons owner.

A FARMER'S REPLY TO THE HIGH-COST-OF-FOOD QUESTION

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

Mr. ROUSH. Mr. Speaker, one of my constituents has sent to me the following remarks stating the farmers' side of the present wage-price controversy. I believe these remarks will be of interest to other Members of Congress, who may have heard from their constituents on this matter.

DEAR SIR: Since you are so concerned about keeping the public informed on the consumers' side of this so called cost-of-living story, do you have the guts to tell the farmers' side of this same story? Why don't you get out and investigate the farm side of this same picture and be just as quick to tell that side of it and tell it like it really is!

While we will admit farm prices has increased by about 25% the past year, and union wages has risen only 6.8%, what has food prices done at the farm level over the past twenty-five years as compared to wages?

The farmers' net returns are about the same today as they were twenty-five years ago on the average. Would the wage earner work today for what he or she received twenty-five years ago. NO!

The people have been able to purchase cheap food for so many years making it possible for them to purchase so many extra luxuries such as campers, boats, lake cottages, all for those nice weekend outings, that now that food prices have come into perspective with other prices, we are hearing a national outcry from sea to shining sea. Cheap food prices have enabled many people to buy larger homes and the third car even though there may only be two drivers in the family. Many of these added luxuries are priced far beyond their income and are purchased "a dollar down and a few dollars a week". Many people have their pay checks spent to the last cent even before they receive it. With the increasing food prices many people are finding their "luxury budget" a little strained! Most farmers cannot afford all of these luxuries and in many cases he or his wife or both have taken on a second job just to hold on for another year, hoping the next year will be a better one. The farmer would much rather just farm his ground and leave the other job to someone else, if he could make ends meet financially.

When the farmer decided to cut back on food production and thus increase food cost (it is a basic system in our nation—that of supply and demand) so that he could receive a small profit, he suddenly has become a very evil, unjust, and unconsiderate person because supply has fallen short and retail prices have indeed risen. Now John Q. Public is having trouble meeting all of his installment payments and who is to blame, the farmer and businessman!

Now lets tell John Q. Public part of the story as it really is. While the wage earner has no capital involved the farmer may have anywhere from $50,000 to $500,000. All he is asking is a fair return on his investment. Is that too much to ask!

Most farmers have worked all of their lives and saved just to be able to own and operate his farm. There is much more to this farm operation than loading the finished livestock or harvested grain onto a truck and moving it to the market where he receives what is being paid, not what he is asking as is so often heard. The farmer doesn't set his prices, he just takes what he can get for his products. His hours are long, most of the time from before daylight until after daylight, and there isn't any overtime payment for him.

While the farmer receives the same net returns as those twenty-five years ago he must purchase his needs at todays prices. Those needs being the same basic needs of everyone plus his farming needs (machinery, fertilizer, feed supplements, etc.).

Thank you for letting us tell a little of our side, the farmer's side; of this cost-of-living problem. The farmer knows all about the money problem as he has lived with it most of his life but he tries to work them out himself not blaming the wage earner.

As everyone should see now there are two sides to this problem. It is finally John Q. Public who has begun to get a taste of it and he can be heard far and wide! But let us see to it that both sides are made public—not just the consumers' side.

Thank you,

Mr. and Mrs. T. C. SMITH.

ROANN, IND.

TAKE ADVANTAGE OF R. & D. OF OUR ALLIES

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

Mr. DEVINE. Mr. Speaker, as we all know, this is a time of transition in the executive branch of the Government of the United States. Many of the people who have served in positions of authority for the last 4 years, and sometimes longer, are departing. Others are arriving to take their place.

I rise today not to comment on any of the specific personnel changes. However, I do want to identify one element of policy which has been discernible in the Department of Defense and in the Department of Transportation, and I wish to recommend to the new leaders of those Departments that they give attention to that policy, in the hope that they will continue it and strengthen its implementation in the months ahead.

The policy I refer to has often been identified with John Volpe in the Department of Transportation and with David Packard, the former Under Secretary of Defense. It has been strongly promoted by John Foster, Director of Defense Research and Engineering. Basically, the idea these men put forward was that the United States, whenever possible, should seek to take advantage of the research and development activities of our allies and partners in matters involving transportation and military hardware development. And they dealt with the question of how we can take advantage of foreign development in these areas without compromising our own requirements and while still maintaining and even enhancing our own industry's ability to produce equipment and provide employment for American citizens.

Mr. Packard once described his initiative in this area as an effort to increase "utilization of the combined technological assets of the United States and its allies." In effect, he saw no reason for us to incur the very large expense of developing systems which might already have been developed by our allies in Western Europe. The leaders of the Defense and Transportation Departments recognized that appropriate international cooperation in utilizing each other's research and development could mean not only a sharing of costs, which is vitally important to our Nation in this time of burgeoning costs and multiplying demands, but which also can lead to improvements in the technological quality of the systems which we produce.

To accept this argument, one must of course accept the fact that there are, especially in Western Europe, technol-

ogies which are worthy of U.S. attention and adoption. I think there is no question about this. Our technological assets are abundant, and they continue to be apparent; but there is vitality and innovation elsewhere, especially among our allies, which is a matter of policy we sought to rejuvenate after World War II.

In a sense, when we import for U.S. production foreign technology developments paid for by others, we are importing jobs along with the technology. And is it not time that the United States realize a return on its postwar policy of aid to Europe?

As an example, I am aware of an air-defense missile system which was developed in France and is called Crotale. This system serves a very specific military purpose in the defense of forward areas against high-speed aircraft in any weather condition. Crotale is a system of very sophisticated technologies, and the experts assure me that it is no less excellent in its performance because it was developed outside the United States. Crotale happens to be just one of these foreign systems which are being examined by our Defense Department under the policy I have been talking about. I believe that the Army and the departing leaders of the Department should be praised for their willingness to look abroad, in the interest of security and economy, to see what might be available.

Another example worth noting involves the Department of Transportation. On January 23 the Federal Aviation Administration announced the award of a contract for ASR–8 radars to the General Dynamics Corp. These radars will be produced in Florida and create employment for Americans. Of equal importance, the FAA is bringing to this country the most advanced radar technology in the world at a time when aviation safety takes on growing importance. The FAA, under the leadership of the Administrator, Alexander Butterfield, should be warmly commended.

Returning to the military side of this policy, I am not suggesting that we will want to encourage the production of U.S. military equipment outside the United States. There are many reasons, economic and military, why under most circumstances the production of U.S. military equipment must continue to be the responsibility of U.S. industry. What we can surely do, quite clearly, is bring to this country, for production in America, those developments which fit our requirements and so save our precious development resources for other requirements.

Much has been said about the exportation of American Technology, and it has often been argued that American jobs have been exported along with the technology. Yet one of our strengths remains our ability to adapt and to utilize the best inventions of man. International cooperation of the sort I am describing should in fact lead to an increase in our production capacity and capability.

Mr. Packard was very clear in his statement of the policy of international cooperation. He said that we should not undertake expensive government financial development programs until we have convinced ourselves that our allies have not already done the required research and development work. I admire the wisdom of that policy, and I commend it to the new leadership throughout our Government.

COMMERCE SECRETARY DENT SUPPORTS RESTRUCTURE OF OEO

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

Mr. DEVINE. Mr. Speaker, during remarks delivered in Washington before the American Society of Association Executives, Commerce Secretary Frederick Dent criticized the "poverty middlemen" who are currently so vocal in their attack on the administration's program to restructure OEO.

Mr. Dent stated that the President's plan is "to get the money directly into the hands of those who need it, without just filtering it through an elaborate government bureaucracy."

I insert the following article from the New York Times in the RECORD:

[From the New York Times, Mar. 21, 1973]

CUTBACK FOR POOR DEFENDED BY DENT—COMMERCE CHIEF FINDS ROLE OF "MIDDLEMAN" REDUCED

(By Edward L. Dale, Jr.)

WASHINGTON, March 20.—The "display of anguish" over President Nixon's cutbacks in some social programs comes mainly from "poverty middlemen" and not the poor, Secretary of Commerce Frederick B. Dent said today.

In his first major speech, the new Secretary said that those persons "see their roles as well-paid, publicly financed 'advisers to the poor' being diminished" and that is why they protest.

The President's aim, Mr. Dent said, "is to get the money directly into the hands of those who need it, without first filtering it through an elaborate government bureaucracy." He argued that the new budget provided substantial increases in such areas as food assistance, health programs, cash benefits for the poor and aid for the elderly by comparison with various years in the past.

Mr. Dent addressed the American Society of Association Executives here at the Sheraton Park Hotel.

"Special interest groups which have a vested interest in the Federal largesse involved are bombarding the public with sob stories proclaiming that each and every program labeled 'antipoverty' is responsible for keeping the United States from burning down for the last four summers," he said.

"Aside from the ugly, threatening implications of such charges, they are attempting to mislead the American people on the ability of programs to perform effectively to help the poor.

"This Administration rejects the new 'trickle down' theory that if we provide funds for the antipoverty middleman, benefits will 'trickle down' to those truly in need."

His main theme was an appeal to businessmen to support the President in "a wave of action entirely responsive to the traditions of our society, our free enterprise system, a wave of action away from domination by the bureaucracy and the concept of the almightiness of centralized power and authority in Washington."

He implied that business had been "complacent over the past 20 or 30 years in acquiescing to trends in government which weaken our society and our economy."

RELIEF FOR WORLD WAR II YUGOSLAV ALLIES

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

Mr. BINGHAM. Mr. Speaker, the heart of virtually every American has grieved in recent weeks at the tales of torture, starvation, and overwork of our prisoners of war repatriated by North Vietnam. Both Americans and Vietnamese will long be plagued by the acts committed with savagery by the parties to the tedious and God-forsaken Vietnam war.

What is perhaps most distressing, however, is that these events simply add to the long international history of mistreatment of prisoners of war which prompted Dr. Schweitzer's bleak commentary on modern civilization—of "man's inhumanity to man."

I wish today, Mr. Speaker, to recall a group of prisoners who suffered in a past war. I speak of the 10,000 survivors of the Royal Army of Yugoslavia who in 1941—32 years ago—resisted the Nazi invasion of their country and thereby helped reverse the tide of Nazi enslavement and domination of Europe by frustrating for more than a month Hitler's planned invasion of the Soviet Union.

These Yugoslav soldiers apparently acted partly on the basis of a promise reportedly made by President Franklin D. Roosevelt on behalf of our Government. That promise was that the people of Yugoslavia would have a government of their choice after the war if they resisted the military pressure of Hitler's advancing military forces. The Potsdam Conference of 1945, however, left that pledge unfulfilled.

In April 1941 after several months of fighting, these soldiers were defeated and captured by Germany. As prisoners of war, they were confined to various prison camps and were held for more than 4 years before their liberation by Allied forces in May 1945. They elected not to return to their native land—by then under Communist domination—and as a result were deprived of their nationality by the Tito government.

Many of these 10,000 men-without-a country came to the United States, and 7,000 of them and their immediate surviving spouses and children are now citizens of the United States.

I bring these former POW's to the attention of the Congress, Mr. Speaker, because for the last year they were held by the Germans they received no compensation for their labors as stipulated by the Geneva agreements on treatment of prisoners of war. To this day, the German Government has declined to pay these ex-POW's the wages and salaries owed a further extraction of "reparations" which were specifically deferred

by the German External Debt Agreement of 1953.

These former POW's contend, on the contrary, that the payment of wages mandated by the Geneva Convention Relative to the Treatment of Prisoners of War, ratified by Yugoslavia in 1931 and by Germany in 1934, cannot be considered reparations. Rather, they are payments for services required by article 28 of the Geneva Convention, which states:

The detaining power shall assume entire responsibility for the maintenance, care, treatment, and payment of wages of prisoners of war working for the account of private persons.

Mr. George Radin, together with the late Prof. George A. Finch and Prof. William L. Griffin, submitted a legal brief to the Bonn government on December 2, 1958, on behalf of these POW's and their immediate survivors. That brief was reviewed and concurred in by Prof. Philip C. Jessup, the distinguished former Judge of the International Court of Justice.

Mr. Speaker, despite the legal arguments and many appeals, no compensation for this claim has been forthcoming from the German Government. As a result, I have been requested by representatives of these ex-POW's and their immediate survivors to introduce legislation providing for payment of their claims by the U.S. Government on an ex gratia basis and directing the Secretary of State to undertake negotiations with the German Government for reimbursement for all such compensation.

The legal and historical facts of this claim are extremely complex and extend rather far back in time. Those legal and historical facts should be thoroughly reviewed and reevaluated by the Congress and any needed revisions of the legislation made before final action is taken on it. As a member of the Foreign Affairs Committee, to which this legislation will presumably be referred, I intend to do what I can to see that the matter receives full and careful attention and review.

The claims of these ex-POW's are supported by the American Legion, the Veterans of Foreign Wars, AMVETS, the American Veterans Committee, the Jewish War Veterans of the U.S.A., and the Disabled American Veterans; they deserve at least a full hearing and sympathetic consideration by the Congress. These Americans of Yugoslav origin were our allies. They are now our citizens. They fought courageously and with determination against a common foe at a time when much of Europe was under Nazi domination. It was apparently an unfulfilled promise made by our Government that contributed to the suffering these people endured. It is now up to our Government to consider their claim and, if the facts merit, to take up their cause and provide them the redress they have been seeking so long.

Mr. Speaker, the practical effects of this legislation, if enacted, will be, first, to end the long wait and the lengthy delay that these individuals have encountered in obtaining their just compensation; and, second, to put the full power and prestige of the U.S. Government behind their claim against the German Government and put the negotiations for the claim on a government-to-government basis.

The text of the legal brief on this case, to which I referred earlier in my statement, and the text of the legislation follow:

MEMORANDUM RE LEGAL ISSUES INVOLVED IN THE CLAIMS AGAINST GERMANY OF STATELESS EX-PRISONERS OF WAR OF FORMER YUGOSLAV NATIONALITY

The claims with which this memorandum is concerned are mainly for wages for work performed for the German economy by prisoners of war in Germany between April 1941 and May 1945, and also for military pay due them.

". . . It is not a bad definition of international law to say that it is the sum of the rights that a state may claim for itself and its nationals from other states, and of the duties which in consequence it must observe towards them." (Brierly, "Outlook for Int. Law", pp. 4–5).

In international law phrases such as "state responsiblity", or "international responsibility" are used to describe a secondary duty to make compensation for a breach of some primary duty arising under international law or under a treaty. (See, Harvard Research in International Law, "Responsibility of States", 22 Am. J. Int. Law, Spec. Supp. 140–1). And an "international claim" is a demand, through diplomatic channels or before an international tribunal, of one government upon another government for compensation for which it is contended the respondent government is responsible under international law or under a treaty. (See, Hyde "International Law", 2d Ed., Vol. 2, pp. 886–88 and authorities there cited).

The primary obligation of Germany in this case arises under the Geneva Convention Relative to the Treatment of Prisoners of War of July 27, 1929. (118 L.N.T.S. 343). This Convention was ratified by Yugoslavia on May 20, 1931, and by Germany on February 21, 1934, and thus came into force as between them six months after the latter date (Article 92). In time of war its provisions ". . . remain in force as between the belligerents who are parties thereto." (Article 82).

Article 23 of the Convention is concerned with financial resources of prisoners of war. It says in part, that:

"Officers and persons of equivalent status who are prisoners of war shall receive from the detaining Power the same pay as officers of corresponding rank in the armies of that Power, on the condition, however, that this pay does not exceed that to which they are entitled in the armies of the country which they have served."

Article 27 of the Convention states that ". . . belligerents may utilize the labor of able prisoners of war . . .". Article 28 provides:

"The detaining Power shall assume entire responsibility for the maintenance, care, treatment and payment of wages of prisoners of war working for the account of private persons".

And Article 34 provides in part that in the absence of agreement by the belligerents:

"a) Work done for the State shall be paid for in accordance with the rates in force for soldiers of the national army doing the same work, or, if none exists, according to a rate in harmony with the work performed.

"b) When the work is done for the account of other public administrations or for private persons, conditions shall be regulated by agreement with the military authority."

"The pay remaining to the credit of the prisoner *shall be delivered to him* at the end of his captivity. In case of death, it shall be forwarded through the diplomatic channel *to the heirs of the deceased.*" (Emphasis supplied).

Article 82, under the general heading "Execution of the Convention", underscores the binding character of the obligations therein by providing that:

"The provisions of the present Convention *must be respected* by the High Contracting Parties *under all circumstances.*" (Emphasis supplied).

Thus, the primary obligation of Germany is to pay these claimants the wages and military pay due them under the Geneva Convention. The breach of this primary obligation gives rise to the legal responsibility of Germany to make compensation for such breach. This secondary obligation consists of two elements: (1) An obligation to pay the principal amounts due under the Geneva Convention, and (2) an obligation to pay simple interest on the principal amounts as damages for the breach of the primary obligation. (See III Whiteman, Damages in International Law 1913–82, and numerous authorities cited.)

These claimants, being stateless, do not have a government to espouse their claims. Although the claimants, as refugees, are under the protection of the United Nations, they do not fall expressly under the advisory opinion of the International Court of Justice that the United Nations has legal capacity to espouse claims of its agents. (See I.C.J. Reports, 1949, p. 174). But it is noteworthy that in its opinion the court said:

"The Court is here faced with a new situation. The questions to which it gives rise can only be solved by realizing that the situation is dominated by the provisions of the Charter considered in the light of the principles of international law.

* * * * *

"Under international law, the Organization must be deemed to have those powers which, though not expressly provided in the Charter, are conferred upon it by necessary implication as being essential to the performance of its duties . . ."

Even though there may be no state or international organization which may formally espouse these claims, their legal validity, and the legal responsibility of Germany, is not thereby affected. The only effect is that the claimants are in the unfortunate position of having a legal right without a remedy. As stated by Umpire Parker of the Mixed Claims Commission, United States and Germany, created to adjudicate claims arising out of World War I:

"It is no doubt the general practice of nations not to espouse a private claim against another nation unless in point of origin it possesses the nationality of the claimant nation. . . .

"But even this practice of nations may be changed by mutual agreement between the two governments parties to a particular protocol creating a tribunal for the adjudication of claims and defining its jurisdiction. The National Commissioners are in agreement on this point. Such jurisdiction is purely a matter of agreement between the interested nations. It is not one of general concern to all members of the family of nations.

"It does not declare any international *principle* but is only a rule of *practice*, to be followed or not as may be stipulated between the interested nations. It pertains to the course and form of the procedure agreed upon between the two nations to enforce rights but not to the rights themselves. In other words, it pertains to the *remedy*, not to the *right* . . .

"As the rule in its application necessarily works injustice, it may well be doubted whether it has or should have a place among the established rules of international law. Those decisions which have adopted it as a

whole have recognized it as a mere rule of practice . . .

"In each case in which the tribunal adopted the rule that claimant must have nationality of claimant stated at times claim arose it is clear that the question presented was purely one of *jurisdiction* and did not touch an existing *right* further than to deny the jurisdiction of the tribunal to enforce it. They do no more than decide that the tribunal in question has not, under the protocol creating it, the jurisdiction to consider and adjudicate the rights of the claimants. The very cases cited by the German Commissioner aptly illustrate this. Numerous other cases could be cited in further illustration, a few of which are noted in the margin. Many of them recognized the existence, and the continued existence, of the right but either held that the claimant had mistaken his forum or that no remedy had been provided for the enforcement of the right. In some instances, the commissions have been at pains, in dismissing a case for want of jurisdiction, expressly to declare that the dismissal was without prejudice to the rights of the claimants. This was in recognition of the established rule that a right may exist internationally where a remedy is lacking. The rights dealt with in the cases cited in support of the alleged rule were not created by, but existed quite independent of, the protocols governing the tribunals in determining their respective jurisdictions." (Decisions and Opinions, 1923–1926, pp. 176–182).

Five legal arguments have been advanced on behalf of the Government of the Federal Republic of Germany as to why Germany is not in a position to pay these claims at this time. These arguments are as follows:

(1) That Article 5 of the Agreement on German External Debts of February 27, 1953, defers payment of these claims until the final settlement of the problem of reparations—in the following language:

"(2) Consideration of claims arising out of the second World War by countries which were at war with or were occupied by Germany during that war, and by nationals of such countries, against the Reich and agencies of the Reich, including costs of German occupation, credits acquired during occupation on clearing accounts and claims against the Reichskreditkassen shall be deferred until the final settlement of the problem of reparation."

The claimant's answer to this argument is:

(a) The claims involved herein are legal claims based upon a treaty, and are *claims of stateless ex-prisoners of war*—whereas (the above quoted provision in) Article 5 of the German External Debt Agreement relates to war reparations claims of states and *their nationals*. Moreover, Article 5 is binding on the Parties' nationals because their Government has the legal power under international law to make a treaty deferring their claims. But the claims herein dealt with accrued, and the claimants became stateless, before the German External Debt Agreement came into force. Therefore, no Party to the Agreement had the legal power to make a treaty deferring these claims.

(b) Article 20 of the said External Debt Agreement specifically authorizes those payments in the following language:

"Payments in respect of debts of the Reich or of an agency of the Reich arising out of unpaid contributions or services rendered under the terms of multilateral international agreements or of the statutes of an international organization are not prohibited by the terms of the present Agreement. The Government of the Federal Republic of Germany will, at the request of the interested creditors, enter into direct negotiations with regard to these debts."

(c) Article 1 of Annex IV to the said External Debt Agreement enumerates classes of "monetary claims arising out of international transactions for goods and services . . . against private or public debtors which became due before 8th May, 1945," the settlement of which is expressly authorized. Among such categories are claims for "wages and salaries based on employment."

* * * * *

(2) The second argument advanced as to why the Bonn Government is not permitted to pay these claims at this time relates to the above-quoted Article 20 of the said External Debt Agreement. The German Government lawyers argue that States or international organizations only may file claims pursuant to this Article for unpaid contributions or for services rendered under the terms of multilateral international agreements relating e.g. to railway, postal and telegraphic traffic.

The claimant's answer to this argument is that the limitation which is imputed in the said Article 20 is not expressed in that Article. On the contrary, the language of that article is general. It speaks of "payments in respect of debts . . . arising out of unpaid . . . services rendered under the terms of multilateral international agreements." The language used in Article 20 specifically authorizes these payments inasmuch as our claims are for services rendered pursuant to the terms of a multilateral international agreement, the Geneva Convention relative to the treatment of prisoners of war. In his opinion, the late professor of international law, Dr. George A. Finch, came to the conclusion that Article 20 of the said External Debt Agreement "specifically authorizes these payments."

If the External Debt Agreement meant to limit the benefits of such payments to such classes of international obligations as postal, railways and telegraphic traffic, that fact should have been expressed in Article 20. Inasmuch as it is not written in that article, it is now too late for any of the parties to that international treaty to limit the permissible payments to the said three types of international obligations only.

(3) The third argument advanced against these payments asserts that the debt to these ex-prisoners of war is owed by entire Germany, the West and the East portions of the former Reich. Until the two are reunited, these payments cannot be made is what is asserted.

The answers to this argument are as follows:

(a) West Germany, i.e., the Federal Republic of Germany, is the continuation of prewar Germany. Rather than being therefore, as the argument seemingly assumes, a partial successor to the former German state, West Germany retains the rights and duties of the German state. "Personality" is the key to the question whether state succession has taken place. The phrase "state succession" is merely descriptive of the factual situation which arises when one state becomes substituted for another in sovereignty over a given area.

"Once a state has come into existence, it continues until it is extinguished by absorption or dissolution. A government, the instrumentality through which a state functions, may change from time to time, both as to form—as from a monarchy to a republic—and as to the head of the government without affecting the continuity or identity of the state as an international person." (I Hackworth, Digest of International Law 127).

This question arose in the partition of British India in 1947, the latter having gradually attained international personality. The question arose, when India and Pakistan were formed out of it, whether British India had continued to exist in one or the other of the new states or had been extinguished altogether. Pakistan claimed automatic membership in the United Nations, but if the personality of British India was continued in the new India, Pakistan would have been in the position of a partial successor state and India alone would have retained membership in the United Nations. On the other hand, if British India had been so completely changed that its juristic personality did not continue in either Pakistan or India, neither would have inherited its membership in the United Nations.

India alleged that the former was the case, and this view was supported by a legal opinion given on the question by the Secretariat of the United Nations, which concluded that there was "no change in the international status of India; it continues as a State with all treaty rights and obligations, and consequently with all rights and obligations of membership in the United Nations." Pakistan was regarded as a new state. This opinion did not pass unchallenged. When Pakistan applied in the ordinary way for membership in the United Nations, objection was made in both the Security Council and the First Committee of the General Assembly that India was no longer the same international person as British India. As a result, the legal committee was requested to advise on the course to be followed in similar circumstances. Its opinion was that a state does not cease to be a member of the United Nations merely because its frontier and constitution have been changed. This effect, the legal committee held, can only be brought about by proof that the international personality of the state has been extinguished (U.N. Doc. A/C.1/212, October 11, 1947).

In numerous international agreements with the United States and other governments, the Federal Republic of Germany has acted, and was accepted, as the juridical continuation of the German state, e.g.:

(i) The exchange of letters embodying the Agreement of March 6, 1951, between France, the United Kingdom, the United States, and the Federal Republic, provides in part:

"The Federal Republic hereby confirms that it is liable for the pre-war external debt of the German Reich, * * * in the determination of the manner in which and the extent to which the Federal Republic will fulfill this liability account will be taken of the general situation of the Federal Republic, including, in particular, the effects of the limitations on its territorial jurisdiction and its capacity to pay.

* * * * *

"The Federal Government is ready to accord the obligations arising from the economic assistance priority over all other foreign claims against Germany on German nationals * * *

* * * * *

"It is in the interest of the reestablishment of normal economic relations between the Federal Republic and other countries to work out as soon as possible a settlement plan which will govern the settlement of public and private claims against Germany and German nationals."

(ii) During World War II, France, the United Kingdom, the United States and other Allied Governments seized German property in their territory. In the Convention on the Settlement of Matters Arising Out of the War and the Occupation (signed May 26, 1952; entered into force May 5, 1955), it was agreed that:

"1. The Federal Republic shall in the future raise no objections against the measures which have been, or will be, carried out with regard to German external assets or other property, seized for the purpose of reparation or restitution, or as a result of the state of war, or on the basis of agreements concluded, or to be concluded, by the Three Powers with other Allied countries, neutral countries, or former allies of Germany." (Art. 3, Ch. VI.)

"The Federal Republic shall ensure that the former owners of property seized pursuant to the measures referred to in Articles

2 and 3 of this Chapter shall be compensated." (Art. 5, Ch. VI.)

The Federal Republic is either the continuation of the German state in all cases, or in no case. The Federal Republic, having held itself out and been accepted as the juridical continuation of the German state in the foregoing and other cases, cannot now be heard to say that it is not the continuation of the German state in regard to German liability for the claims of these ex-prisoners of war of former Yugoslav nationality.

(b) If the Federal Republic is a successor to the German state, rather than a continuation thereof, the Federal Republic has succeeded to the German obligation with respect to the acquired rights embodied in these claims.

If the personality of a divided state is completely lost in the dissolution, it ceases to exist and the problem is whether a successor state is in law as well as in fact the legal successor of its predecessor, i.e., to what extent is the successor state entitled to the rights and subject to the duties of its predecessor?

Respect for acquired rights is perhaps one of the few principles firmly established in the international law of state succession, and the one which admits of least dispute. The relationship which existed between these ex-prisoners of war and Germany is twofold: (1) The legal duty to pay them wages which arose under the Geneva Convention when their labor was utilized, and which continues to exist until either they are paid or the German state has ceased to exist. (2) The factual situation which consists of the failure of the German state to pay wages after having enjoyed the fruits of their labor.

If the German state has become extinguished, its legal duty as such to pay wages is extinguished, i.e., such legal duty is not "inherited" *ipso jure* by the Federal Republic as a successor state. But the latter necessarily "inherits" the factual situation. The equitable interest which the ex-prisoners of war have in this factual situation is described variously as a "vested right" or an "acquired right". The obligation of the Federal Republic as a successor state is to respect this interest, and is imposed by international law. This obligation arises by operation of law when the successor state, through its own action in assuming sovereignty, becomes competent to destroy the acquired rights.

The doctrine of respect for acquired rights is not restricted in its operation to corporal interests. In English legal language the term "acquired rights" is not a term of art, and so does not immediately suggest all the elements of the concept to which it refers. In this regard the German term *Vermogonarecht* is a much more adequate one than its foreign equivalents because it signifies any right, whether *in rem* or *in personam*, of an assessable monetary value, which is an important attribute of the concept of acquired rights as understood in international law. Within the scope of such *Vermogensrecht* fall rights which have their basis in contract or quasi-contract as well as in immovable property.

The basis of the doctrine of respect for acquired rights is the concept of "unjust enrichment". The latter concept is found in Roman law, and in modern legal systems formulated on a natural law basis. It is a juridical concept fundamental to Western European and Anglo-American legal systems. The concept of unjustified enrichment has been recognized in international law by the Anglo-German Mixed Arbitral Tribunal and by the arbitrators in the Lena Goldfield Arbitration.

To sum up, if the former German state has ceased to exist, then the Federal Republic as a partial successor is obligated to respect the acquired rights of these ex-prisoners of war. If the Federal Republic is only a partial successor, it is not denied that some reparation of the obligation may be necessary. On this point international law does no more than lay down very general principles regarding the basis of repartition, leaving it to the interested states to work out an arrangement between themselves. Since the instant claimants have no government to espouse their cause, they must perforce rely on the humanitarian spirit of the Federal Republic in this regard.

(4) The fourth argument as to why the said debt of Germany to these stateless claimants cannot be made relates to military pay and is as follows:

Officers and persons of equivalent status should have been paid each month while they were held in captivity, in which case Germany could have been reimbursed at the end of hostilities by Yugoslavia pursuant to Article 23 of the Geneva Convention saying:

"All payments made to prisoners of war as pay must be reimbursed, at the end of hostilities, by the Power which they have served."

Because Hitler's Third Reich did not make such payments, it is now asserted on behalf of the Bonn Government that such payments cannot be made now by Germany for the reason that reimbursement from Tito's Yugoslavia would not be possible.

The fact that the Hitler Government did not fulfill Germany's obligation under Article 23 of the Geneva Convention cannot serve as an excuse for the Federal Republic not to pay those obligations. It was a breach of an international covenant committed by the Third Reich under Hitler when Germany did not make the full monthly payments provided for in Article 23 of the Geneva Convention. That was a wrong for which the German state is liable. As pointed out above, the Federal Republic as the legal continuation of the German state retains its rights and duties.

(5) The fifth argument is that: "Generally speaking", "former prisoners of war can by themselves never without an intermediary assert legal rights against a detaining Power, so that such rights, arising out of the Geneva Convention, could receive valid consideration in the Law of Nations."

It is true that Article 34 of the Statute of the International Court of Justice provides that: "Only states may be parties in cases before the Court."

However, it is very sad indeed that the Government of the Federal Republic of Germany is taking advantage of this legal technicality operating against stateless persons.

Furthermore, the Bonn authorities overlook the fact that the helpless stateless persons in whose behalf this memorandum is prepared, stand by reason of their status as refugees, under the protection of the United Nations High Commissioner For Refugees, and that an advisory opinion by the International Court of Justice on the legal question involved in these claims can be given to appropriate organs of the United Nations pursuant to Article 96 of the Charter of the United Nations.

H.R. 6882

A bill to authorize ex gratia payment of compensation for work performed by certain prisoners of the German government during World War II who were wartime members of the Royal Army of Yugoslavia and who became United States citizens.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is authorized to be paid—

(1) to each wartime member of the Royal Army of Yugoslavia,

(2) to the surviving spouse of a deceased wartime member of the Royal Army of Yugoslavia provided such spouse became a United States citizen on or before January 1, 1946, and

(3) in equal shares to each parent and child of a deceased wartime member of the Royal Army of Yugoslavia if such member is not survived by a spouse who meets the qualifications of clause (2),

$1,250 plus interest on such amount at the rate of 5 per centum per annum for the period beginning January 1, 1946, and ending on the date the Commission's certification is made under section 2.

(b) The Secretary of the Treasury shall make the payments authorized by subsection (a) to the individuals certified to him under section 2 as eligible to receive such payments.

SEC. 2. (a) There is established a Yugoslav Claims Commission (hereinafter in this Act referred to as the "Commission") to determine the eligibility of individuals for the payment authorized by the first section. The Commission shall certify to the Secretary of the Treasury each individual it determines is eligible for such payment.

(b) Within thirty days after the date the members first appointed to the Commission take office, the Commission shall give public notice throughout the United States concerning the payments authorized by the first section. Such notice shall be made on a regular basis during the first ninety days from such date and in a manner most likely to notify as many individuals as possible who may be eligible to apply for such payment. Such notice shall include a description of the documents and other information needed by the Commission to determine if an individual is eligible for such payment.

(c) The Commission may not certify any individual as eligible for the payment authorized by the first section unless an application for such certification has been submitted to, and approved by, the Commission. Such application shall be submitted by such persons and in such form and manner, and contain such information, as the Commission prescribes; except that no application may be made under this subsection later than one year and thirty-five days after the date the members first appointed to the Commission take office.

(d) The Commission shall hold such hearings, take such testimony, and receive such evidence, as it determines is necessary to determine the eligibility of individuals for whom applications have been made. The Commission shall notify each applicant under this Act of its action on their applications. The Commission shall complete its determinations for each application filed under this section at the earliest practicable date, but not later than two years after the date the members first appointed to the Commission take office.

SEC. 3. (a) The Commission shall be composed of five members appointed by the Chairman of the Foreign Claims Settlement Commission in consultation with the Secretary of State, three of which shall be members of the staff of the Foreign Claims Settlement Commission. Each member of the Commission shall serve at the pleasure of the Chairman. Any member not otherwise federally employed shall receive the daily equivalent of the annual *rate of* basic pay in effect for Grade GS–15 of the General Schedule for each day (including traveltime) during which he is engaged in the actual performance of duties vested in the Commission. While away from his residence or regular place of business in the performance of services for the Commission, a member shall be allowed travel expenses, as authorized by section 5703(b) of such title 5 for individuals employed intermittently in the Government service.

(b) The Commission may, with the approval of the Chairman of the Foreign Claims Settlement Commission, appoint and fix the

compensation of such officers, attorneys, and employees as are reasonably necessary for its proper functioning. Upon the request of the Commission, the Chairman of the Foreign Claims Settlement Commission may assign any employee of that Commission to the Commission established under this Act to assist it in carrying out its functions.

(c) A majority of the members of the Commission shall constitute a quorum to transact business; but an affirmative vote of at least three members shall be required to promulgate any rule or to determine the eligibility of any individual for the payment authorized by the first section.

(d) The Commission shall prescribe any additional rules necessary for carrying out its functions.

(e) The Commission shall cease to function not later than three years after the final date for making an application under section 2(c).

SEC. 4. For the purposes of this Act—

(1) The term "wartime member of the Royal Army of Yugoslavia" means any individual who was a Yugoslav national while he served in the Royal Army of Yugoslavia from April 6, 1941, to May 7, 1945, who was imprisoned by the government of Germany at any time and at any place from April 6, 1941, through May 7, 1945, who during such imprisonment performed labor or services for which he was not paid wages or salary as required by the Convention of July 27, 1929, Relative to the Treatment of Prisoners of War and who became a United States citizen on or before January 1, 1973 and who is a United States citizen on the date on which he is determined to be eligible for the payment authorized by the first section or until his death.

(2) The terms "parent" and "child" mean the same as such terms are defined in section 101(b)(1) and (2) of the Immigration and Nationality Act.

SEC. 5. No payment on account of services rendered or to be rendered to or on behalf of any individual in connection with any claim filed with the Commission under this Act shall exceed 10 per centum of the amount allowed by the Commission on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever pays, offers to pay, or receives (on account of services rendered or to be rendered in connection with any such claim) any payment in excess of the maximum permitted by this section shall be fined not more than $1,000. If such payment has been made, the Commission shall take whatever action may be necessary to recover such payment, and any claimant who made or offered to make such payment shall forfeit all rights under this Act.

SEC. 6. The action of the Commission in determining the eligibility of individuals for the payment authorized by the first section shall be final on all questions of law and fact and not subject to review by any other official of the United States or by any court by mandamus or otherwise; and the Comptroller General shall allow credit in the accounts of any certifying or disbursing officer for payments made under subsection (b) of the first section of this Act.

SEC. 7. The Secretary of State shall undertake negotiations with the Federal Republic of Germany to enter into an agreement with the Federal Republic providing for the Federal Republic to reimburse the United States for all sums paid under the first section of this Act.

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SENATOR LONG WAKES UP SINGING

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

Mr. WAGGONNER. Mr. Speaker, it has been a distinct pleasure to have served in the Congress with my good friend and distinguished colleague, the senior Senator from my home State of Louisiana, RUSSELL B. LONG.

For nearly half of the 24 years RUSSELL LONG has served in the Senate, I have been a member of the Louisiana delegation in Congress with him. Day in and day out we have worked closely together. He has assisted me over and over again. I feel that I can speak with some authority about the senior Senator. Since 1966, he has served as chairman of the Senate Finance Committee; he has proven his outstanding legislative abilities in committee and on the Senate floor as well as in conference.

Those who know RUSSELL LONG recognize, as I do, that he is an outstanding American and a most effective and able legislator, who comes from a family with a great tradition in Louisiana politics and of service to the people of Louisiana. Those of us who know him well, realize that he is a man with great heart and sensitivity with a real insight into people.

Recently I came across a warm, human interest story in the Shreveport, La., Journal about my distinguished friend written by Washington staff writer Darlene Schmalzried. Mr. Speaker, I include it with my remarks:

SENATOR LONG "WAKES UP SINGING"

(By Darlene Schmalzried)

WASHINGTON.—"There's hardly a day," says Carolyn Long, "that Russell doesn't say how happy he is. He wakes up singing—and that's even before he gets into the shower."

His old friends marvel. "I can't believe how he's changed," said an oil lobbyist just last month. "He's a different man than he was four years ago," agreed another. "He looks so much younger," said a third crony. They spoke in hushed tones as if afraid the senator would hear and blush, although he was nowhere nearby.

Indeed, Russell B. Long, once the rising star of the Democratic Party, has made an about-face from the dark days four years ago when his aggressive power plays and sharp attacks on colleagues were often an embarrassment to the Senate.

His carer is on the upswing: Although, at 54, he claims no Presidential or Vice Presidential ambitions, he stands to become the most effective and respected Finance Commitee chairman in Senate history. Essentially a shy man, he stutters and smiles nervously in unfamiliar surroundings, but on the Senate floor or in committee, he performs his legislative duties so astutely that none can treat his opposition lightly.

His demeanor has improved: He has trimmed down his figure and re-stocked his wardrobe with neat-fitting suits. His face, a carbon-copy of father Huey's, is now touched with a tranquil dignity, except for the eyes that twinkle or flash as his active mind races ahead far faster than he can articulate his thoughts.

No longer as feisty as he is said to have been in the past, he is well-liked by colleagues, newsmen and even elevator operators, who appreciate his unaffected, down-home manner.

Sauntering through Capitol hallways with an easy-going, slightly pigeon-toed gait, or rushing to make an appointment or get to the Senate floor, he now attracts more respect than notoriety.

This is no surprise to his cheery second wife. "I think he's basically a happy man," she said, crinkling her sparkling blue eyes across a table in the Senators' Dining Room, waving at acquaintances, blowing kisses to friends, always smiling.

A gracious North Carolinian with a consuming love of politics, the petite frosted-blonde undoubtedly has helped her husband of three years achieve that happy state. As one observer said, when Carolyn Bason married Russell Long on Dec. 23, 1969, the change in the senator was like "the difference between night and day."

Long's first wife did not like life in Washington, and consequently remained in Baton Rouge the last 12 years of their marriage. She divorced Long in 1969, shortly before their 30th wedding aniversary and not long after he was unseated as Democratic whip by Sen. Edward M. Kennedy.

Long had married her at 20, when he was still an undergraduate at LSU. After graduating in 1941, he received his law degree in 1942 and joined the Naval Reserve. As a first lieutenant, he captained an amphibious ship in the Mediterranean Sea during World War II—a period that Carolyn Long contends was one of the happiest in his life. ("He just loves to recall stories of his life in the Navy," she said.)

Discharged in 1945, he practiced law in Baton Rouge, then, when Sen. John H. Overton died mid-term, he won a hard-fought special election at 29, and became a U.S. Senator at age 30 on Dec. 29, 1948.

Far less flamboyant than his father's, Long's Senate career was relatively undistinguished until the early Sixties when, as ranking Democrat on the Senate Finance Committee, he took over for the Chairman Harry F. Byrd Sr. (D-Va.) in management of an $18 billion tax bill in 1964, most aptly expressed by Sen. William Proxmire (D-Wis.), a staunch opponent of the bill:

"If a man murdered a crippled enfeebled orphan at high noon on the public square in the plain view of a thousand people, I am convinced after today's performance that, if the senator from Louisiana represented the guilty murderer, the jury would not only find the murdered innocent, they would award the defendant a million dollars on the ground the victim had provoked him."

Following this coup, Long came from behind in 1965 to win a spot on the Democratic leadership ladder as assistant majority leader (whip). He had a clear shot at majority leader if Mike Mansfield (D-Mont.) had chosen to step down then.

In 1966, his fortunes began to fade. He virtually crammed the $1 campaign tax checkoff bill down the Senate's throat, delaying Senate business for weeks; then, when a successful attempt was made to repeal it a year later, he kept the Senate tied up for six weeks with parliamentary maneuvers in an attempt to forestall defeat.

(A similar bill passed Congress in 1971, and this year's tax forms included a form where taxpayers can designate that $1 of their taxes go into a fund to pay for Presidential campaigning in 1976.)

Later that year—1967—Long took up a campaign to keep Sen. Thomas Dodd (D-Conn.) from censure for misusing campaign funds, during which he attacked other senators, including the members of the Senate Ethics Committee. Those highly-esteemed solons, he suggested (though he later apologized), could not have withstood the close scrutiny they gave Dodd.

These and other incidents lost him a great deal of respect and resulted in his loss of the whip's race in early 1969. These, at the time of the divorce, "were his darkest days," according to one confidant.

In Spring, 1969, he was under investigation by a federal grand jury, which named him and the late Rep. Hale Boggs in a report charging a Baltimore contractor with

conspiring to defraud the government on a contract involving underground parking facilities for the House of Representatives. Later, the Justice Department exonerated both of them of any charge of wrongdoing.

But at the end of December, immediately following a sticky House-Senate conference on the 1969 tax reform bill, there were some changes made.

Their marriage was a secret—mainly because neither Carolyn nor Russell Long knew until the last minute when they could take their vows.

"Most girls have to compete with other women," Mrs. Long said. "I had competition from a tax bill."

"Russell wanted very much to keep it a secret because he was afraid he would lose his bargaining power with the House conferees." She explained that, in the press to adjourn the 91st Congress, Long could use time as a lever in getting his favored provisions in the conference bill—but only if his adversaries did not know he was in a hurry to get done with business and get married.

Nobody knew it then, she said, but "he had to rush out during the conference to get a blood test."

Their first public appearance together—at a Sugar Bowl game in New Orleans—was also her first trip to Louisiana.

The former Miss Bason has been on Capitol Hill longer than 25 years. "I was here when Russell came," she freely admits. She came here as a secretary to former Sen. Clyde R. Hoey (D-N.C.), straight out of Greensboro (N.C.) Women's College and, except for a two-year stint in Europe with the Joint American Military Advisory Committee, has remained ever since. In 1954, she went to work for Sen. Sam J. Ervin (D-N.C.) in whose office she met Long.

"I had worked on the Hill a long time, and through the years he'd seen me and I'd seen him," she said. Long's and Ervin's offices were then on the same floor and "in those days, everybody knew everybody else."

A charming and attractive woman in her forties, she had not been married before, but revealed, "I was engaged to someone else the year before I married Russell."

Now, "I just want to be Russell's first lady."

The couple has settled into a duplex apartment, in Washington's plush Watergate complex, that once belonged to former Atty. Gen. and Mrs. John Mitchell. And they spend most of their time at home.

They take frequent trips to their cottage in the Blue Ridge Mountains, and occasionally travel to their farm in Baton Rouge. Or they may treat themselves and go out for a MacDonald's hamburger.

But "when we're here I'd say we spend five nights out of seven at home," he said. When they go out they're usually in by 11—to "catch the late show, or catch Mannix." The senator tries to get home from work by 7—"in time for Gunsmoke"—although the erratic Senate schedule is an acknowledged occupational hazard.

He is "not a person to bring his worries home," his wife reported "He can leave his pressures at the office."

But their participation in the Washington social scene is negligible.

"We go out about as often as the two of us can agree on it," Long said. "We very much enjoy being home together.

"I'd say anytime we accept an invitation, most people don't know what a compliment is implicit in that because I guess we enjoy being home together. They should appreciate the fact that we have the highest regard for them when we go out."

Mrs. Long concurred. "Both of us decided we were not going to get on the party circuit. We're very selective about party-going."

But mention MacDonald's and they both light up. "We're great MacDonald's fans," the senator said. "Carolyn's even learning to cook an Egg MacMuffin." "I adore Egg MacMuffins!" said his wife, emphasizing "adore" with her Scarlet O'Hara inflection.

They have now embarked on their annual alcohol-free Lenten diet. "It worked so well last year we're going to try it again," she said. "Both of us try to count calories because when we go to Louisiana, we can't resist all that good food."

Their lifestyle has changed some since Long's 17-year-old niece, Laura, came to Washington to attend a girls' boarding school in the area The high school junior, whose light brown hair reaches far down her back, is the daughter of Palmer Reid Long of Shreveport.

Although she spends most of her time at the Madeira School in Greenway, Va., she visits her relatives on Wednesday evenings and weekends when she is free.

We enjoy her very much," Long said. "She helps us keep in touch with the youthful point of view. A bright young person, very intelligent, she's very much a part of the young scene and she brings all that to us."

"While she's with us we try to keep up with what she's doing, what her interests are.

"She's fascinating "

Asked whether she has brought about any changes in their home life, he responded, chuckling, "Doesn't any young lady that age?"

Mrs. Long seems delighted with Laura, whom she helps with her studies and boyfriend problems. "We keep the lines of communication open with Laura," she said. "Sometimes I'm a good friend, sometimes I'm an aunt."

Laura has become like a daughter to her, and she admits, "I only regret I never had any children of my own." The senator's two married daughters are in Baton Rouge and Boulder, Colo.

On her part, the teenager seems happy with the arrangement, often accompanies her aunt and uncle to business and social events and spends a good deal of her spare time with them.

On one of her trips to town, she stopped in at the Capitol to watch Long tape a routine television show. After the taping, she ran up to throw her arms around him and, with a kiss, said, "You were great." "I'm glad you liked it," he said warmly, "but don't be late for your dentist appointment."

As his lifestyle has changed, so have Long's political ambitions been revamped.

"I once had a very strong desire to be a Presidential aspirant," he said. "That was up until I saw what the job was." As Democratic whip, Long was close to President Lyndon Johnson and got a good look at the Presidency.

"All the misery that man went through persuaded me that the worst job in government is the United States Presidency. It's something every young man ought to aspire to be, but it's an enormously demanding job. What it takes out of a person is so fabulous, so absolutely earth-shaking.

"I'm convinced," he added, "that good Presidents get their reward in heaven."

As for the Vice Presidency, "it's a very frustrating job, handing people trophies, attending golf tournaments, speaking at various and sundry places to try to reflect the President's views. The Vice Presidency is only a good stepping-stone to being President.

"Frankly, I'd rather be Finance Committee chairman. As chairman of a major committee, at least you have some power of decision," he said. "It gives you so much independence to do what you think you ought to do."

Asked whether he would ever want to rejoin the Democratic leadership, he said simply: "Nope."

Mrs. Long agreed with his views, "I think Russell has the best job in the United States Senate, and I still say the Senate's the best job in the world, better than being President."

Although he has not formally announced his candidacy for reelection next year, Long hopes to remain at his post for at least another seven years, and plans to announce his candidacy for reelection next spring.

After that? "I won't be running when I'm 90, I won't be running when I'm 80, and I doubt I'll be running when I'm 70, but I might run for another term after this one (when he's 61)."

But, "frankly I never look beyond the next election," he said.

"Why should you do that? There are so many things about life that the Good Lord will tell you or fate will decide for you that you make a mistake to start planning your life—from a politician's point of view—past the next election."

He will not "become a candidate" officially until next spring because the campaign financing laws are so drawn that "there are all kinds of disadvantages in being a candidate."

However, he said he expects then to form a "minimal-type campaign organization," meaning one that uses the media a great deal more than a massive grass roots campaign.

The campaign will be directed to a greater extent than ever before toward the newly-enfranchised young, a segment of the electorate he called "very active, very interested and very alert."

"I enjoy speaking to young people," he said. "I think it is a very healthy thing for any senator to meet with them.

"Off hand, my guess is I'll run as well with the young as I will with the middle-aged."

During the campaign, his wife will be by his side. "I'm looking forward to it," she said. "I'll enjoy meeting all those people. I just adore Louisiana—the people are so gracious.

"I never took part in a campaign before," she added. "This will be a new experience." Mrs. Long will not participate as an independent member of the campaign organization, but will be there to "give support to Russell."

Although she has been at the center of national political life even longer than her husband, she looks forward as much as he does to the day—"when we're no longer productive"—they can return to the farm outside Baton Rouge.

"I think of the Baton Rouge area as my home, even though I have many roots in Shreveport and a few in New Orleans," said Long, a native Shreveporter. When his Senate career is over he plans to settle down there, "unless I can find another place in Louisiana I like better, which is always a possibility."

Russell Long is inextricably tied to Louisiana, he is the product of the intense and variegated political tradition that prompted A. J. Liebling to call Louisiana "the westernmost of the eastern states."

The son of one of the most dynamic political figures in twentieth century America, Sen. Huey P. Long, he is the only member of Congress in history who could claim two parents as U.S. Senators. (His mother, Rose McConnell Long, was appointed to fill Huey's seat upon his death.) His Uncle Earl was a colorful man who served two terms as governor of the state. His Uncle George was a U.S. congressman.

He certainly has inherited his father's looks, his political acumen and legislative guile, his sense of humor. There was the time, for example, that Long managed to get unanimous consent in the Senate to abolish the Republican Party. No one else was in the chamber but Sen. Jennings Randolph (D-W. Va.) who was presiding and there were no Republicans about to object. Well, when the GOP found out about it, then Senate Minority Leader Everett Dirkson (R-Ill.) retorted with an unsuccessful attempt to get unanimous consent to abolish the state of Louisiana.

On the other hand, although he has displayed some of his father's concern for the "little man," he is not as easy among crowds of them as the voluble Huey was.

Above all, Russell Long inherited his father's name. Some say it put him where he is; some say he got there in spite of it.

Long says, "I can't see that as being much of an issue anymore, frankly.

"I think I have some friends who I inherited from my father and I would think there's a friendship with the sons of many men who were friends of my father, who are my friends today.

"But with regard to the overwhelming majority of people who voted for me or against me, I couldn't tell you if their fathers were for my father or against my father."

He continued: "I've always idolized my father. His memory's very close to me in my heart. But as much as I loved my father I guess I'd be more proud of the fact that I tended to bring to an end some of the controversies that existed during his time rather than the fact that I kept the fight going on. In other words, basically, if something's right, over that period of time, you ought to be able to persuade the other fellow it's right or you ought to forget about it.

"I've been very proud of the fact that the overwhelming number of the people who to my knowledge were strongly opposed to my father are for me.

"I just hope that all of them will judge me for what I am because that's how I expect to judge them. I'm saying my own piece now. I've been in public life long enough that people ought to vote for me or against me on the basis of my own name."

APPEAL TO THE OAS

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

Mr. PEPPER. Mr. Speaker, one of the most distinguished members of the Cuban community in Miami has made a personal appeal to the Organization of American States at the meeting of foreign ministers here in Washington. I believe this appeal merits the consideration not only of the foreign ministers but of all who seek the restoration of freedom in Cuba. I commend it to our colleagues and request that it be included in the RECORD at this point:

APPEAL BY DR. MANOLO REYES

The undersigned, Dr. Manolo Reyes, being a Cuban citizen, of-age, and temporarily residing at 243 S.W. 26th Road, Miami, Florida, without representation of the Cuban people but in complete exercise of the liberty and respect to all human rights established in the Fundamental Charter of the Organization of American States, I come before you and respectfully say:—Since I firmly believe in the Interamerican System which the OAS represents and which repudiates the communist regime of Fidel Castro. I feel that I must raise my voice in the hope that it reaches this Assembly in order to comply with everybody's historical responsibility, precisely in this critical moment.

In 1964, a similar Assembly imposed a sentence on Fidel Castro's red regime for having been found guilty of sending thousands of weapons for the use of communist guerrillas who were operating in the surroundings of an abandoned beach in the Paraguana Peninsula in Venezuela.

It is my firm belief, by interpreting the feelings and experience lived by thousands of Cubans, who are today inside or outside their country, that the circumstances which determined the forced administration of the measures against Havana's red regime, instead of disappearing, on the contrary, have been maintained and have increased with the natural risk involved for the peace and security of the whole hemisphere.

We have Cuba's communist radio which since 1964 to this day has not stopped supporting illegal movements of the anti-social members in the American Continent, poisoning in this way young or weak minds and breeding hatred in the hearts of brothers.

We had the so-called Tricontinental Conference held in Havana in January of 1966 where plans were discussed for the communist subversion of many countries of the American continent.

Castro's communist regime has declared that it would give ample moral and material support against those who defeated Juan Jose Torres in Bolivia.

Recently, we have knowledge of the news that occurred last February 17th in Bissau, Portuguese Guinea, relating how 8 of Castro's communist guerrilla drowned when their ship was sunk by a Portuguese naval force which patrolled the Cacheau River. Meanwhile, Captain Pedro Peralta, an officer for Castro's communist regime, is still in prison serving a 10 year prison term after being captured by guerrilla forces in Guinea on November, 1966.

Still, on a recent date we have the guerrilla landing of Francisco Caamano Deno, in Caracoles (Seashell) Beach, in the Dominican Republic.

The Dominican delegate, can answer if Mr. Caamano came from Havana or not.

To prove the increasing danger of the communist regime of Havana let us say that in 1964, Castro did not have the strong military ties that he has now with the Soviet Union, ties that have turned Cuba into a Soviet military base.

To ratify these points I can make a reference to the book of sessions of the Special Commission on Security of the OAS which I have personally attended in Washington to declare the Soviet military increase in Cuba, on two different occasions, in 1970 and 1972.

You can also find this reference in the eight personal appearances that I have made in Washington in the last three years before the Internal Security Subcommittee of the House of Representatives, the Senate and the Interamerican Affairs Subcommittee of the House.

To broaden these facts, we can say that the Pentagon on February 21st ratified that a Soviet Naval squadron carrying guided missile ships left Cuban waters, after spending three months at Cuban ports and bays. This is the ninth Russian naval squadron that visited Cuba since July 26th, 1969.

We might also state that in Cuba there are at least three Russian naval facilities for nuclear submarines: Cienfuegos, Nipe and Cabanas.

Soviet atomic submarines have also been seen at the afore mentioned places on recent dates carrying Shaddocks missiles with a fire range of 500 miles, and Serb missiles with a range of 750 miles.

There is a very interesting segment to point out in this statement. The sailors who are stationed in the nuclear submarines are affected by the length of time in which they stay under water . . . and in many instances . . . in a direct form . . . by the radiations of the atomic heat of the submarine. For this reason, experienced physicians have estimated that the largest stay for the crew of these submarines should not be over a period of three months. Later, they need a rest period of three months at the beaches where they can saturate themselves with the sun and sea air. Then another three months in higher places, especially in zones where the pine trees grow, as they purify the ozone from the air.

There is no doubt, that the Russian crews of the nuclear submarines are using Cuba as a permanent base for this type of rest, as I have brought to the attention of the Special Committee on Security to the OAS, to the United States Congress and the Senate, and in this way the Soviet Union keeps increasing its military and strategic power in the Caribbean.

* * * * *

If in effect this is the usual way in which the communists treat their prisoners, I wonder what would be the inhuman treatment that thousands of political prisoners are going through in Cuban prisons, right this minute . . . millions of Cubans from one segment of the Island to the other?

I am not here before you to ask for pity, or to beg for our country's freedom. That would be treason to the dignity and sufferings of my people.

But I am here to talk to you before the history of today, to alert, and for tomorrow's judgment day.

This is the way in which I accomplish my duty as a Cuban citizen, and a brother of this Continent.

And I will not beg, because I am a man who has faith in God and in my beloved countrymen.

We can take as an example a recent incident which occurred only a few days ago in Havana. The students of the Universities . . . those which Castro has repeatedly cited as being loyal supporters of his regime . . . made an appointment to speak with him. Castro made his appearance and started delivering a speech at the Aula Magna where they had gathered. All of a sudden the lights went off and they remained like that for almost ten minutes. When the lights went on again many students had disappeared and everywhere signs had gone up reading: "Castro go away," "Castro we are tired of you", "Castro traitor to Cuba", "Russians, leave Cuba".

For this example of bravery and many others, I know that Cuba will be free. There is not a doubt in mind. Communism will be defeated. A free Cuba will again be seated in this prestigious Organization of American States, side by side with its American brothers.

SECTION-BY-SECTION SUMMARY OF H.R. 5988—THE SURFACE MINING RECLAMATION ACT OF 1973

(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, the requests for detailed information concerning my bill, H.R. 5988, the Surface Mining Reclamation Act of 1973, is a small indication of the growing interest in this comprehensive legislation designed to realistically regulate the surface mining of all minerals in the United States in such a manner as to provide for the continuation of our basic mining industry and at the same time, reclaim the lands so affected by such mining.

The Subcommittee on Environment and the Subcommittee on Mines and Mining of the House Interior and Insular Affairs Committee are conducting joint hearings at the present time on the subjects covered by 11 bills dealing with surface mining, including H.R. 5988. Knowing of the interest of our colleagues in this vital matter, I have appended to my statement a section-by-section summary of my bill. The summary was prepared by the Environmental Policy Divi-

sion of the Congressional Research Service.

The summary follows:

SECTION-BY-SECTION SUMMMARY OF H.R. 5988

Sec. 101. Findings

This section states, as congressional findings and declarations, that the recovery of minerals by surface mining is a significant and essential activity, contributing to the social and economic well-being of the Nation. When unregulated, however, surface mining may result in disturbances which adversely affect the public welfare through damage to the land, water and wildlife; to private property; and through threats to health and safety. Such unregulated mining activities are not coordinated with resource conservation programs of various governments.

The advance of reclamation technology is such that effective and reasonable regulation of surface mining by the State and Federal governments is now an appropriate activity to prevent the adverse effects already noted.

Primary government responsibility for developing, authorizing, issuing and enforcing surface mining and reclamation regulations should rest with the States because of the diversity of natural and social factors which prevail in areas subject to surface mining. A single set of Federal regulations could not adequately or fairly treat such diverse conditions.

Sec. 102. Purposes

This section cites 7 goals which constitute the purpose of the legislation: Foremost is to establish a nationwide program to prevent adverse effects to society and the environment from surface mining; the protection of the rights of surface landowners; prevention of surface mining where reclamation is not feasible; prevention of permanent damage to land and water; and the obtaining of reclamation as contemporaneously as possible with mining operations are among the other items specified; and to provide assistance to the States in developing their own programs, and to assure the full exercise of Federal constitutional powers to protect the public interest are the remaining goals.

SEC. 103. DEFINITIONS

This section offers 28 definitions of terms as used in this Act. Several of these are of particular significance, while the others have achieved a degree of familiarity during congressional deliberations of the past several years.

"Areas of critical concern" is defined as lands where development, including planned or unplanned surface mining, could result in significant damage to important historic, cultural, environmental, economic, or esthetic values of more than local significance, or could endanger life and property as a result of natural hazards. The legislation would bar surface mining in such areas.

The term "Federal land" refers to all land owned by the United States without regard to the method of acquisition or administering agency. Indian lands are not included in this definition.

The term "Federal lands program" is a program established by the Interior Secretary in accord with section 223 to regulate surface mining and reclamation on Federal and Indian lands.

"Lands within a State" refers to all lands within a State other than Federal or Indian lands.

The term "surface mining operations" means the activities conducted on the surface of lands in connection with a surface mine, the products of which enter or affect commerce. This includes exploration for and extraction of coal and other minerals as well as such operations as dredging, quarrying, leaching, in situ distillation or retorting and cleaning, among others. Loading for interstate commerce of crude material at or near the mine site is also included. Excluded is the extraction of minerals in a liquid or gaseous state by means of wells or pipes, unless the process includes in situ distillation or retorting. Surface operations associated with underground mines are not included.

SEC. 201. GRANT OF AUTHORITY; PROMULGATION OF FEDERAL REGULATIONS

This section requires the Interior Secretary, within 180 days of enactment, to develop and publish in the *Federal Register* regulations covering surface mining and reclamation operations for coal, and to provide details on the actions which the States must take to develop programs which meet the requirements of this Act.

No later than 24 months following enactment, the Secretary must develop and publish in the *Federal Register* regulations covering surface mining and reclamation operations for other minerals, and set forth in detail the actions a State must take to develop a program which meets the requirements of this Act.

The regulations for coal and for other minerals shall not become effective for a period of 45 days following publication in the *Federal Register*, during which time interested persons and State and local governments shall be able to submit written comments.

Any interested person or State or local government may file written objections to a proposed Federal regulation, and may request a public hearing. Within 15 days of the close of the period for comments, the Secretary shall publish notice of the regulation(s) objected to and for which a hearing has been requested. He shall publish the date (within 30 days of publication), time and place of the hearing where statements and objections concerning the proposed regulation shall be received. To the extent possible, these hearings are to be held in the State or region affected.

Within 60 days of the completion of hearings the Secretary shall publish a report of his findings of fact on the objections, and shall promulgate the regulations with such changes as may be necessary. The regulations shall take effect 30 days after their *Federal Register* publication.

The provisions of the administrative procedures Act, Chap. 5, Title 5, USC, are made applicable to this Act. In case of conflict, provisions of this Act shall apply.

SEC. 202. OFFICE OF SURFACE MINING AND RECLAMATION ENFORCEMENT

This section establishes the above office in the Department of the Interior, specifying that its director shall be appointed by the President, by and with the advice and consent of the Senate. No legal authority in the Department, having as its purpose the promotion of the use or development of coal or other mineral resources shall be transferred to the Office.

Seventeen duties of the Secretary, acting through the Office, are spelled out in this section. These include the administration of the programs contained in this Act; consultation with other agencies of Federal and State governments having expertise in the control and reclamation of surface mining; and such other duties as are provided by law.

To avoid duplication, the Secretary is authorized to coordinate the process of review and issuance of permits required by the Act with any Federal or State permit process.

SEC. 203. SURFACE MINING OPERATIONS WHICH MAY BE SUBJECT TO THIS ACT

This section makes the provision of this Act applicable to all surface mining activities, although the regulatory authority is permitted to except certain activities from one or more of the provisions. Previous legislative proposal have not contained such a provision.

The activities which may be exempted are:

1. Surface excavations made in connection with mining operations carried on beneath the surface.

2. Foundation excavations for building construction.

3. Excavations by a governmental agency or its authorized contractors for highway and railroad cuts and fills.

4. Extraction of minerals by a landowner for his own non-commercial use from land owned or leased by him.

5. Commercial extraction of minerals in amounts not more than 2000 tons of marketable minerals per year if the total acreage affected does not exceed 3 acres.

6. Archeological excavations.

7. Such other surface mining operations which the Secretary determines to be of an infrequent nature and which involve only minor surface disturbances.

Subsection (b) requires the Secretary to consider such factors as the size, nature, and potential for environmental damage of the activity involved, in promulgating regulations to implement this section.

SEC. 204. STATE AUTHORITY; STATE PROGRAMS

Subsection (a) spells out the requirements which must be met by a State in order to be eligible for Federal financial assistance under Titles III and IV of this Act, and to assume full control over surface mining in that State. The State must show that it has—

1. A law providing for the regulation of surface mining and reclamation in accord with this Act and regulations issued pursuant to the Act.

2. A law providing sanctions for violations. These sanctions shall include civil and criminal actions, bond forfeiture, suspension and revocation of permits, and cease and desist orders.

3. A state regulatory authority which is adequately staffed and financed to regulate mining and reclamation in accordance with the requirements of this Act.

4. A law which provides for a permit system for the surface mining of coal and of other minerals on lands within the State.

5. A mining lands review process as stipulated in Sec. 213, which review shall identify lands unsuitable for surface mining.

Subsection (b) requires that the Secretary not approve any State plan until he has solicited and made public the views of the Environmental Protection Agency, the Department of Agriculture and other Federal agencies possessing expertise in the matter of surface mining and reclamation; and until he has provided the opportunity for public hearings within the State.

A State plan must be approved or disapproved within 4 months of submission. If disapproved, the Secretary must provide a detailed written decision spelling out the reasons for disapproval. The State may resubmit a revised State program, in this event.

SEC. 205. FEDERAL PROGRAMS

This section specifies the conditions under which the Secretary may promulgate and implement a Federal program for a State, and the procedures which are to be followed in doing so. Such action vests the Secretary with the full authority for the regulation of surface mining and reclamation operations within the noncomplying State.

A Federal program may be instituted if a State—

1. Fails to submit a program for surface mining and reclamation operations for coal within 12 months after promulgation of Federal regulations;

2. Fails to submit a program for surface mining and reclamation operations for other minerals within 12 months after promulgation of Federal regulations; and

3. Fails to enforce its approved State program.

The Secretary must give notice and hold public hearings in the affected State before promulgating and implementing any Federal

program. Failure of a State to designate lands not to be mined in its mining lands review, as specified in Sec. 213, shall not constitute grounds for the Secretary to promulgate and implement a Federal program.

If an approved State program is preempted, existing permits in that State shall be valid but reviewable by the Secretary. All permits are to be reviewed immediately to determine that they meet the requirements of this Act. For permits not in conformance, the holder is to be so informed and provided with a reasonable period of time to submit a new application and bring his operation into compliance with the Federal program.

A Federal program may be replaced by an approved State program if the Secretary determines that the latter will be effectively implemented.

Subsection (e) provides that the authority for administration and enforcement of all air and water quality laws and regulations applicable to surface mining may be vested in the State regulatory agency, if an approved State program exists. This is designed to eliminate duplication of effort by State and Federal agencies.

SEC. 206. STATE LAWS

This section declares that the only State laws or regulations which may be superseded by this Act and subsequent regulations are those which are inconsistent with Section 101.

Subsection (b) stipulates that provisions of State law and regulation which set more stringent environmental controls than do the provisions of this Act or the regulations promulgated by the Secretary shall not be construed to be inconsistent with this Act.

Similarly, any provision of State law or regulation, which has no counterpart in this Act shall not be deemed to be inconsistent.

Thus, the States are given the option of adopting programs which are more comprehensive and/or rigorous than that of the Federal Government.

SEC. 207. INTERIM REQUIREMENTS AFTER ENACTMENT AND PRIOR TO APPROVAL OF STATE PROGRAMS

For the period of beginning with the enactment of this Act, and extending through 12 months after promulgation of Federal regulations for surface mining of coal, a person must obtain an interim permit from the State regulatory authority in order to open or develop any new or previously abandoned surface coal mining operation on lands within a State.

On Federal or Indian lands, an interim permit from the Secretary must be obtained before a surface coal mining operation may be opened or developed on a new or previously abandoned site. This requirement extends from the date of enactment until Federal regulations for surface coal mining are promulgated.

Any operator who wishes to expand by more than 10 per centum the existing area of land affected in the previous 12 months by a surface coal mining operation must also obtain an interim permit to do so. On lands within a State the permit must come from the State regulatory authority for the period from enactment until 12 months following promulgation of Federal regulations for coal surface mining.

On Federal or Indian lands, the permit must come from the Secretary for the period following enactment until the promulgation of Federal regulations for coal surface mining.

In all cases, the applications and permits must be in accordance with the provisions of this Act.

SEC. 208. PERMITS

This section establishes a schedule under which permits must be obtained in order to conduct surface mining and exploration. On lands within a State, a valid permit from the State or Federal regulatory authority be obtained after the expiration of 12 months following the promulgation of Federal surface coal mining regulations.

Twenty-four months after promulgation of Federal regulations for the surface mining of other minerals a permit must be obtained from the regulatory authority before such operations can be conducted on lands within a State.

A permit from the Secretary is required immediately after the Federal regulations for coal and other minerals, as appropriate to conduct surface mining and exploratory operations on Federal and Indian lands.

Two types of permits are specified: surface exploration, and surface mining and reclamation. The term of the latter shall be for 5 years unless sooner completed, suspended or revoked. None of these cases shall relieve the operator of his obligation to comply with reclamation requirements of his permit, this Act, or a State or Federal program under this Act.

The surface mining and reclamation permit shall carry the right of renewal. Such renewal shall be granted after the public notice and hearing provisions of this Act are met, and the operator demonstrates compliance with the program under which he operates. An inspection of the mining and reclamation operations must be made by the regulatory authority prior to granting the permit renewal. New conditions and requirements may be imposed in the renewed permit, if necessary to meet changing circumstances.

SEC. 209. SURFACE EXPLORATION PERMIT REQUIREMENTS

Each application for a surface exploration permit shall be accompanied by a fee, set by the regulatory authority, and reflecting the expected cost of reviewing, administering and enforcing the permit.

Subsection (a) further requires that the application be accompanied by a description of the purpose of the proposed exploration project, and by a minimum of 12 specified items of supporting technical data. The latter includes the written permission of all surface landowners for any exploration activities, unless exploration rights are owned by the applicant; and provisions for reclamation of all land disturbed during exploration.

Under subsection (b), an applicant whose application is denied or unacted upon after a reasonable time, may seek relief under appropriate administrative procedures.

Any person who conducts surface exploration activities for mineral covered by this act without first obtaining an exploration permit, or who fails to observe the terms of a valid permit, shall be fined up to $10,000. Upon conviction, he shall not be issued any surface mining and reclamation permit for a period of time not to exceed 24 months.

SEC. 210. SURFACE MINING AND RECLAMATION PERMIT

Subsection (a) requires that each permit application be accompanied by a fee, determined by the regulatory authority, and based on the actual or anticipated cost of reviewing, administering and enforcing the surface mining and reclamation permit.

Subsection (b) lists 18 items of information which shall accompany each application. These items require full identification of the parties who will be connected with the surface mining operation; full disclosure of any previous or contemporaneous surface mining operations with which they were or are associated; and a statement of whether any person or group associated with the application has, since 1960, had a Federal or State suspension or revocation of a surface mining permit, or has forfeited a surface mining reclamation bond or security. The subsection also requires basic information regarding the tract to be affected, such as its size, location, ownership, and rainage patterns. The results of test borings for the property and chemical analysis of the stratum underlying the mineral to be mined must also be filed.

Subsection (c) stipulates the maps or plans which must accompany the application. These must show all boundaries of the property to be affected and those of property owners within 1000 feet of the land to be affected. All watercourses and man-made features such as roads, railroads, pipelines and structures must be shown and identified. Combined with this, or as a separate map, must be a proposed mining plan in detail, showing, among other things, the location of any discharges to surface water bodies.

Typical cross section maps or plans of the area showing among other things mineral seams, overburden, aquifers and the anticipated final surface contour following reclamation must also be filed. Information on the overburden and minerals shall be kept confidential. If essential to a hearing with regard to the grant or denial of a permit or the release of a reclamation bond, such information may be disclosed to interested parties under appropriate protective provisions.

Each applicant must obtain and submit with his application the written consent of, or waiver by, the surface owner or owners of the lands to be affected by surface mining to enter and commence surface mining on their land.

Subsection (e) requires the applicant or his independent contractor for mining and reclamation to submit certification from an insurance company showing that the applicant has a personal injury and property damage policy of not less than $100,000 in effect. The policy shall be for the term of the permit, and renewal and the length of all required reclamation operations. The regulatory authority may waive this provision if it finds the applicant financially able to meet claims within the requirements of this paragraph.

A reclamation plan for the land to be affected must accompany the application for a permit. Subsection (f) lists the minimum information in 14 categories which must be included in the proposed reclamation plan, as follows:

1. A description of the condition and uses of the land to be affected as it is at the time of application.

2. The applicant's proposed land use following reclamation. A record of consultations with appropriate local agencies with regard to the proposed use shall be submitted.

3. The methods to be used to separate, store and protect from air and water erosion the topsoil, subsoil and spoil.

4. A statement on the consideration given to maximum effective recovery of the mineral resources that can be economically and technologically surface and auger mined.

5. A full description of the engineering plans and techniques to be used in mining and reclamation and the major equipment to be used.

6. A plan for the control and treatment of water associated with the operation both during mining and for a period of 5 years after the operation is terminated for any reason.

7. A plan to prevent the diminution of the quality or quantity of surface or subsurface water utilized by adjacent landowners.

8. A detailed plan for backfilling, regarding, topsoil restoration, etc., consistent with the stated land use.

9. A planting and revegetation program, which should seek to permanently restore native vegetation.

10. A plan ensuring that all debris, acid forming or toxic material posing a health, safety or environmental hazard are disposed of promptly as a part of the mining cycle in a manner designed to prevent the hazard from occurring.

11. A blasting plan showing considerations

given to preventing onsite and offsite damage and injury.

12. The steps taken to bring mining and reclamation into compliance with all air and water quality laws.

13. A detailed estimated timetable for each major step in the reclamation plan, and the estimated total cost.

14. Such other information as may be required by the regulatory authority.

SEC. 211. CRITERIA FOR SURFACE MINING AND RECLAMATION OPERATIONS

This section is a detailed presentation of the minimum requirements which must be included in any State or Federal program with regard to the actual conduct of surface mining operations. A number of these requirements are touched upon in other sections of the Bill, particularly Sec. 210.

Slope limitations included in the House-passed surface mining control legislation of the 92nd Congress. Paragraph (8) addresses itself to the matter of limitations of surface mining on slopes over 14 degrees from the horizontal. This paragraph requires that no spoil, debris, soil, waste mineral, abandoned equipment or other material be placed on the downslope below the mining cut or bench if the natural slope angle exceeds 14 degrees. The regulatory authority may grant permission for such deposition however, if the applicant affirmatively demonstrates that his mining methods and reclamation plan will prevent sedimentation, landslides, or water pollution, and that the area can be reclaimed as required by the provisions of this Act.

Paragraph (11) requires that, in reclamation, all highwalls, spoil piles, and depressions to hold water must be eliminated. Where ponding of water is to take place for reclamation purposes, slopes to the water may not exceed 19 degrees from the horizontal. The use of terracing as a reclamation technique is discouraged, but may be approved by the regulatory authority if the reasons advanced are found satisfactory and the natural slope of the land to be affected is less than 14 degrees.

Among the other key requirements of this section are these:

(1) The land must be restored to a condition capable of supporting the uses of which it was capable prior to mining, and must present no health, safety, or environmental hazard.

(2) The written consent of the surface landowners for the proposed land use must be obtained.

(3) The amount of land excavated at any time is to be limited by combining the process of reclamation with progress of mining operations.

(4) In order to minimize the redisturbance of mined areas through later additional surface mining, the original operation must recover the mineral resources that can be technologically and economically surface or auger mined.

(7) All soil, spoil, waste and refuse piles must be stabilized, if necessary by imposing slope and height limitations, and if possible by vegetative cover.

(14) The quality of water in surface and subsurface systems must be maintained both during and after surface mining and reclamation in accordance with the highest applicable water quality standards.

(15) Water impoundments must be designed and maintained to prevent pollution, siltation, and rupture during intense storms. Any impoundments left as part of the permanent reclamation plan must be engineered for stability without maintenance, with emergency spillways so as to prevent rupture during storms of fifty-year frequency.

(16) Offsite areas must be protected from slides or damage during the mining and reclamation operations. No part of the operations or waste accumulations may occur outside the permit area.

(17) Explosives may be used only in accordance with existing law and under regulatory authority stipulations that shall, at a minimum, require advance written notice to local governments and residents on the times of use; procedures for the protection of dwellings, buildings and property; and limitations on the type of explosives and their method of use, so as to prevent injury to persons and property outside the permit area.

(18) All debris, structures and equipment must be removed and otherwise disposed of upon the approval of the performance bond release.

SEC. 212. REGULATION OF LARGE OPEN PIT MINE OPERATIONS

This section recognizes certain characteristics that set some surface mining operations apart from those treated in this legislation, and provides for the promulgation of special regulation in such cases. These operations treated in this section are those in which—

(a) The amount of overburden and mineral removed is large in proportion to the surface area disturbed;

(b) The operations take place on the same site for many years;

(c) There is insufficient overburden or other material to restore the approximate original contour; and

(d) There is no practicable alternative to surface mining. In such cases the regulatory may propose and the Secretary may promulgate alternative regulations to those in Section 211, which at a minimum will

1. Ensure that the slope of remaining highwalls will permit the replacement of soil, revegetation, and maintenance of the slopes, except that no slope may exceed 35 degrees from the horizontal. Step terracing may be employed if the mineral or overburden exposed is not of a toxic or polluting nature.

2. Ensure that applicable air and water quality standards will be met.

3. Ensure the protection of public health and safety.

4. Provide for the maximum practicable reclamation of the area to minimize adverse environmental impacts. The social, ecological, and environmental quality of the area should be optimized.

SEC. 213. DESIGNATION OF LAND AREAS UNSUITABLE FOR SURFACE MINING

This section authorizes the Secretary to make annual grants to each State for the purpose of helping the States develop mining lands review procedures which will identify areas which are unsuitable for some or all types of surface mining.

An area shall be so designated if—

(A) reclamation as required by this Act is not economically or physically possible;

(B) such mining would be incompatible with Federal, State or local plans to achieve essential governmental objectives; or

(C) the area is an area of critical concern, as defined in Section 103 (b) of this Act.

To qualify for these grants a State must demonstrate that its mining law review process includes a responsible State agency; a land data base and inventory which will identify areas with the capacity to support reclamation; and methods for ensuring that lands designated as unsuitable are not surface mined. The review process must also contain proper notice requirements, opportunities for public participation and hearings.

Grants shall not exceed 80 per centum of the development and management cost in the first and second years, and 60 per centum thereafter.

The section authorizes appropriations of $25,000,000 annually for the first three fiscal years after enactment, and such sums as may be necessary thereafter.

Any interested citizen shall have the right to petition the regulatory authority to exclude an area from surface mining. A hearing shall be granted when such petition and supporting affidavits tend to establish the unsuitability for surface mining of an area.

Subsection (b) authorizes and directs the Secretary to review the Federal lands to determine whether there are areas unsuitable for all or certain types of surface mining pursuant to the criteria set forth in this section.

Any such lands identified by the Secretary shall be withdrawn or any mineral or mineral entries shall be conditioned so as to limit surface mining operations on such area.

SEC. 214. PERMIT APPROVAL

This section lists the eight findings which the regulatory authority must make before it can grant a surface mining and reclamation permit. Among the findings which shall be made are—

(1) that the application is complete;

(2) that reclamation can be carried out consistent with this Act;

(3) that the land affected is not within 300 feet of the outside property line of an occupied dwelling; within 300 feet of a public building, park or cemetery; nor within 100 feet of the outside line of any public road right-of-way;

(5) that the mining method and reclamation plan will prevent sedimentation, erosion, pollution of the surface and subsurface watercourses, and that surface mining will not destroy underground water courses; and

(7) that no surface water body or watercourse will be moved, interrupted or destroyed during mining or reclamation except that watercourses may be relocated as part of an approved reclamation plan. No mining or reclamation shall be conducted within 100 feet of any stream, creek, or lake, except that reclamation may take place in such areas if it is for the purpose of restoring a previously mined but unreclaimed area, or will relieve an existing water pollution problem.

Subsection (b) requires that the regulatory authority shall not grant a permit to any applicant who has failed and continues to fail to comply with any provisions of this Act.

SEC. 215. PUBLIC NOTICE AND HEARINGS

This section requires the permit applicant to advertise the ownership, precise location, and boundaries of the lands to be affected by surface mining in a newspaper of general circulation in the locality of the proposed surface mine at least once a week for four weeks. He must also submit letters expressing his intent to surface mine to local governments, agencies, sewage and water treatment authorities, and water companies. Copies of the advertisements and the letters must be submitted to the regulatory authority within 35 days after the application has been submitted.

Subsection (b) grants the right to any citizen or governmental officer to file an objection with the regulatory authority within 30 days of the last publication of the above notice. A request for a public hearing may also be made, in which case the date, time and place of such hearing shall be properly publicized by the authority.

SEC. 216. DECISIONS OF REGULATORY AUTHORITY AND APPEALS

Subsection (a) requires that the authority notify an applicant for a permit within a reasonable time following submission when an application has been approved or rejected. This time shall take into account the period needed for investigation of the site, the complexity of the application and time spent on public notice and hearing procedures.

Within 30 days of being notified of the denial of a permit application, an applicant may request a public hearing which shall be held within 30 days of the request. Within 30 days of the hearing, the authority shall pro-

vide the applicant with a written decision approving or disapproving the permit in whole or in part, and stating the reasons therefor.

Subsection (b) provides the right of appeal to a court of competent jurisdiction for any applicant or citizen who has participated in the proceedings as an objector, and who is aggrieved by the decision of the regulatory authority or by the failure of the authority to act within a reasonable time.

SEC. 217. POSTING OF BOND

Subsection (a) requires the posting of a performance bond by an applicant after the permit has been approved, but before it has been issued. The bond shall be such amount as to assure the completion of the reclamation plan if the work had to be performed by a third party, but must be for a minimum of $10,000.

This bond shall cover the area on which surface mining operations are initiated. As additional areas are brought into operation, appropriate additional bond postings shall be required.

The period of liability shall be for the duration of the surface mining and reclamation operations and five years thereafter, unless sooner released.

The operator may deposit cash, negotiable bonds of the United States or State where operations are conducted, or negotiable certificates of deposit.

Subsection (d) requires the authority to increase the amount of required bond or deposit as affected land acreages are increased or where the cost of reclamation obviously increases.

Subsections (b) and (c) spell out the provisions for holding the bond or securities and for authorized substitutions of equal value by the operator.

SEC. 218. BOND RELEASE PROCEDURES

Upon completion of backfilling and regrading of a bonded area, an operator may request the release of 60 per centum of the bond or collateral. Among the information contained in his request shall be detailed descriptions of the reclamation activities performed and the results achieved.

Subsection (b) requires the regulatory authority to inspect and evaluate the reclamation work within 100 days of receipt of the request for release. To be considered are such factors as the degree of difficulty to complete remaining reclamation work, whether water pollution is occurring and the probability of its continuing. If the regulatory authority finds the reclamation meets the requirements of this Act he shall notify and release that portion of the bond requested. If the work is not satisfactory, the authority shall notify the operator by registered mail within 100 days after the request is filed, explaining why the work is unacceptable and recommending actions to remedy the failure.

Subsection (c) outlines quite similar procedures for the release of bond upon completion of all reclamation work.

Subsection (d) requires as part of the bond release application copies of advertisements in a newspaper of general circulation in the area of the mining announcing the intention of the operator to seek release of bond on the area. He must also submit copies of letters to local governments and agencies informing them of his intention to seek release from the bond.

Subsection (e) states the right of any interested party to file written objection to the bond release and to seek a public hearing. The timetable and procedures to be followed for such a hearing are detailed. The protestant shall have the burden of establishing the noncompliance of the permittee's request.

Subsection (f) cites the powers of the regulatory authority for the purpose of such hearings. These include the taking of evidence, including the inspection of the land affected and other surface mining operations carried on by the applicant in the general vicinity.

The regulatory authority shall make its decision on the bond release within 60 days after the hearing record is transcribed.

Subsection (h) grants the right of appeal to any applicant or interested objecting participant in the administrative proceedings, if aggrieved by the decision or the failure of the authority to act in a reasonable period of time.

SEC. 219. SUSPENSION AND REVOCATION OF PERMITS

Once it has been granted, a permit may not be suspended or revoked unless the regulatory authority gives prior notice of the provisions being violated and affords the permit holder a reasonable time to bring his operation into compliance. This time shall not be less than 15 days or more than one year. If water pollution, or a threat to health and safety is involved, the permit may be suspended and the operation closed and no portion of the performance bond may be returned to the operator as long as such conditions exist; and the authority determines, after a public hearing, if requested by the permittee, that the operation remains in violation.

The authority must furnish the permittee a written decision which affirms or rescinds the suspension and which states the reasons therefor. The permittee shall have the right to appeal such decision to a court of competent jurisdiction.

SEC. 220. INSPECTION

This section requires the Secretary to cause to be made such inspections as are necessary to evaluate the administration of State programs, or to develop or enforce any Federal program. For such purposes authorized representatives of the Secretary shall have the right of entry to any surface mining and reclamation operation.

The regulatory authority shall require any permittee to establish and maintain records; make reports; install, use, and maintain any necessary monitoring equipment; and provide such other information pertinent to his mining and reclamation operations as the authority deems necessary.

Subsection (b) further provides the authority with the right of entry to the property affected, and access, without unreasonable delay, to the records and monitoring equipment of the permittee.

All inspections shall be on an irregular basis averaging at least one a month for surface coal mining operations and semiannually for surface operations involving other minerals. The inspections shall be made without prior notice and reports of the inspection must be filed.

SEC. 221. FEDERAL ENFORCEMENT

Whenever the Secretary finds that a person is in violation of the requirements of this Act or any condition of his permit, the Secretary shall notify the appropriate State regulatory authority. If such authority fails to take appropriate action to end such violation within 10 days, the Secretary shall issue an order requiring the permit holder to comply with the provision or permit condition.

On the basis of Federal inspection, the Secretary or his inspectors may order a cessation of surface mining and provide a reasonable time in which a violation may be corrected. The permit holder shall be entitled to a hearing within three days of the cessation order. In the event of a failure to comply with the order, the Secretary shall immediately institute civil or criminal actions in accordance with this Act.

Subsection (c) provides that when the Secretary finds a State is failing to enforce its program, he shall notify the State of his finding. If the failure extends beyond the thirtieth day after such notice, the Secretary shall give public notice of such finding. From the time of such public notice until the Secretary is satisfied that the State will adequately enforce its program, the Secretary shall assume enforcement of any permit provision required by this Act.

Subsection (d) provides that any order issued under this section shall take effect immediately. The order shall set forth with reasonable specificity the nature of the violation and shall establish a reasonable time for compliance.

Failure to comply with any provision of this Act or a Federal program for a period of 15 days after notice of such failure shall make a person liable for a civil penalty of not more than $1,000 for each day of the continuance of such failure.

Subsection (f) provides that any person who, among other things, violates any provision of this act or any permit condition, makes a false statement or representation in any procedure covered by this Act, or who tampers with, or renders inaccurate any required monitoring device, shall be fined not more than $10,000, or imprisoned for not more than six months, or both.

SEC. 222. ESTABLISHMENT OF RIGHT TO BRING CITIZENS SUITS

This section provides that any person may commence a civil action on his own behalf against any person, including the United States and any other governmental agency alleged to be in violation of the provisions of this Act; or against the Secretary or the appropriate State regulatory authority for failure to perform any duty of this Act which is not discretionary.

Subsection (b) qualifies this by stipulating that no action may be commenced prior to 60 days after giving notice of the violation to the offending party, or if the Secretary or the States is diligently prosecuting a civil action to require compliance.

Action against the Secretary or State regulatory authority must also be preceded by 60 days notice, except the action may be brought immediately if the violation complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a valid legal interest of the plaintiff.

Any action pursuant to this Act may be brought only in the judicial district in which the mining operation in question is located.

If not a party to an action under this section, the Secretary or State authority may intervene as a matter of right.

The court may, if considered appropriate, award costs of litigation to any party in actions pursuant to this section. If a temporary restraining order or preliminary injunction is sought, the court may require the filing of a bond or other security in accordance with Federal Rules of Civil Procedure.

Subsection (e) notes that this section does not restrict the right of any person under this or other laws to seek enforcement of this Act and regulations, or to seek any other relief.

SEC. 223. FEDERAL LANDS AND INDIAN LANDS

This section requires the Secretary to promulgate and implement a Federal lands program applicable to all surface mining and reclamation taking place on Federal and Indian lands. The program shall include, as a minimum all the requirements of this Act, and should take into consideration the diversity of characteristics of the land in question.

Subsection (b) requires that the provisions of this Act and the Federal lands program shall be incorporated in all Federal leases, contracts, or permits issued by the Secretary which may involve surface mining. This shall not limit the authority of the Secretary to subsequently issue new regulations with which the lease, permit, or contract holder must comply.

Subsection (c) states that the Federal program shall contain regulations applicable to

all Federal departments and agencies which require that—

(1) No federal entity shall dispose of any mineral rights it may own if it does not also own the surface rights, unless the written consent of the surface landowner(s) for surface mining is first obtained.

(2) No Federal department, agency or authority may purchase or otherwise obtain coal which has been surface mined from lands owned by any person who has not given his written permission for the extraction of such coal by surface mining.

Subsection (d) authorizes the Secretary to enter into cooperative agreements with a State or States for the purpose of unifying the management of surface mining and reclamation on areas with interspersed Federal or Indian and State ownership or responsibility.

The Secretary may accept or delegate authority for the management of such areas for the purposes of this Act.

Subsection (e) limits the extent of the above delegation of authority, noting that it does not confer upon the States any trustee responsibilities towards the Indians or Indian lands.

SEC. 224. REVISION OF PERMITS

This section makes provision for a permittee to seek a revision of his permit by filing a revised application and reclamation plan with the regulatory authority.

The authority shall not approve any application for revision unless fully satisfied that required reclamation will be carried out under the revised reclamation plan.

The authority shall establish guidelines on the scale or extent of revisions which necessitates the implementation of all permit application procedures, including notice and hearings. Any revisions which would substantially change the intended future use of the land shall be subject to notice and hearing requirements.

Paragraph (3) requires that any extension of the area to be covered by a permit must be made by application for a new permit.

There shall be no transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act.

SEC. 225. PUBLIC AGENCIES, PUBLIC UTILITIES AND PUBLIC CORPORATIONS

This section makes the provisions of Title II of the Act applicable to any agency, unit or instrumentality of Federal, State or local governments, including publicly owned utilities or corporations of any such government which proposes to engage in surface mining operations.

SEC. 301. ABANDONED MINE RECLAMATION FUND

This section creates the Abandoned Mine Reclamation Fund in the United States Treasury, and authorizes an initial appropriation of $100,000,000, and such other sums as the Congress may later appropriate.

Other moneys to be deposited in the Fund are those—

(1) derived from the sale, lease, or rental of reclaimed land;

(2) derived from any user charge imposed on reclaimed land, after expenditures for maintenance have been deducted; and

(3) miscellaneous receipts including fees, fines, and bond forfeitures which are not otherwise incumbered.

Subsection (d) allows the Secretary to expend for the purposes of this title, moneys in the fund subject to annual appropriation by the Congress.

This Fund will be the mechanism for financing the acquisition and reclamation of abandoned mined lands under a Federal program, and for grants to the States for similar purposes.

SEC. 302. ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED AREAS

This section states as a declaration of the Congress that the acquisition of any interest on land or mineral rights in order to develop and operate reclamation facilities constitutes acquisition for a public purpose, even though the interest to be held may eventually be used for open space or recreation, or may be resold.

Subsection (b) authorizes the Secretary to acquire unreclaimed surface mined land by purchase, donation, or otherwise. The Secretary must make a thorough study of the lands available for acquisition and must base his selection upon priorities spelled out later in this section.

When acquired, title shall be taken in the name of the United States, but the Attorney General must approve the validity of the title before the deed is accepted or any purchase price paid. The purchase price must reflect the unreclaimed nature of the land.

Subsection (c) authorizes condemnation of land and mineral rights by the Secretary for the purposes of this Act, and spells out the procedures to be followed. In certain circumstances, the Secretary is authorized to take immediate possession of land or mineral rights by payment to the owner or a court of competent jurisdiction the estimated fair market value of the interest taken.

Subsection (d) provides that in cases in which the ownership of lands to be taken cannot be determined, the Secretary shall deposit the estimated fair market value of the property with a court. If the ownership is not established within 6 years, the payment shall revert to the Secretary and be deposited in the Reclamation Fund.

(e) encourages the States to acquire abandoned unreclaimed mined lands and donate them to the Secretary to be reclaimed. To this end, the Secretary is authorized to make matching grants to the States, the maximum Federal share being 90 percentum of the cost of acquisition of the lands. A State which has so donated lands shall have a preference right to purchase such lands after they have been reclaimed by the Federal Government at fair market value, less the State portion of the original purchase price.

Subsection (f) requires the Secretary to develop specifications for the reclamation of lands acquired under this article, and in developing the specifications shall utilize the specialized knowledge or experience of any Federal department or agency which can assist him.

The criteria for determining priorities for acquisition of lands of making grants to the States under this section are:

(1) those unreclaimed lands having the greatest adverse effect upon the environment or posing the greatest threat to life, health or safety; and

(2) those lands suitable, upon reclamation, for recreation use.

Revenues subsequently derived from such lands shall be used first to provide proper maintenance of such lands and facilities thereon, and any surplus shall be deposited in the Fund.

Subsection (h) allows the Secretary to sell reclaimed lands deemed suitable for industrial, commercial, residential, or private recreation development pursuant to Federal property disposal laws.

Subsection (k) provides an opportunity for local citizen participation in making the determination of the use of lands reclaimed under this title. The Secretary shall hold a public hearing, with appropriate notice, in the county or counties where lands to be reclaimed are located. The time for such hearing must be such that it gives the citizens the maximum opportunity to help shape the decision concerning final use of the land.

SEC. 401. ADVISORY COMMITTEES

This section requires the Secretary to a point two national advisory committees on surface mining and reclamation operations, one for coal and one for other minerals. Each committee shall have a maximum of 7 members, so balanced as to represent Federal, State and local officials and persons qualified to present the industry, consumers, and conservation points of view, respectively. The Secretary shall designate the chairman of each of the committees,

SEC. 402. GRANTS TO THE STATES

This section authorizes the Secretary to make grants to the States to assist them in developing, administering and enforcing their own programs. The grants may not exceed 80 per centum of the total costs in the first year; 70 per centum during the second and third years; and 60 per centum each year thereafter.

Subsection (b) gives the Secretary the authority to cooperate with and provide assistance to any State in developing and administering its program. Included in such assistance are—

(1) technical assistance and training of personnel, including provision of necessary curricular and instructional materials; and

(2) assistance in preparing and maintaining a continuing inventory of surface mining and reclamation operations for each State.

All Federal departments and agencies shall make available data relevant to surface mining and reclamation operations and information on the development and administration of applicable State programs.

SEC. 403. RESEARCH AND DEMONSTRATION PROJECTS

This section authorizes the annual appropriation of $5,000,000 to be used by the Secretary to conduct and promote research and experimentation in mined land reclamation. The Secretary is authorized to enter into contracts with and make grants to qualified institutions, agencies, organizations and persons.

He may also contract with or make grants to State or local governments and other qualified parties to carry out demonstration projects involving the reclamation of surface mined lands.

SEC. 404. ANNUAL REPORT

This section requires the Secretary to submit an annual report to the President and to the Congress concerning activities conducted by him, the Federal Government and the States pursuant to this Act. The report shall include his recommendations of additional administrative or legislative action deemed necessary to accomplish the purposes of this Act.

SEC. 405. AUTHORIZATION OF APPROPRIATIONS

This section authorizes the appropriation to the Secretary for the administration of this Act the following sums:

Fiscal year 1973, $10,000,000; 1974, $20,000,000; and 1975, $20,000,000.

Each year thereafter, $30,000,000.

SEC. 406. OTHER FEDERAL LAWS

This section expresses the standard saving clauses concerning existing State and Federal laws pertaining to mine safety, air and water quality, and the authority of the Secretary or other Federal agency officials with regard to mineral leases or permits.

Subsection (c) directs the Federal agencies to cooperate with the Secretary and the States in carrying out the provisions of this Act.

SEC. 407. SEVERABILITY

This section contains the usual severability clause.

GOV. ANDREW F. BRIMMER PAINTS ECONOMIC PICTURE OF BLACK AMERICA

(Mr. STOKES asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. STOKES. Mr. Speaker, Gov. Andrew F. Brimmer of the Federal Reserve System has prepared an extremely valuable analysis of statistical data as it relates to black America. Governor Brimmer's approach is highly technical and intellectual. But contained within the volume of data which he presents is a well-rounded portrait of where black Americans stand today in economical terms.

Governor Brimmer examines the labor market from 1961 on. He fiinds that from 1961 until 1969, black participation in the work force increased at the same rate as white. But this trend changed during the 1969–70 recession. In 1969, black unemployment stood at 6.2 percent, compared to 3.3 percent for whites. By the end of 1970, the jobless rate for black workers had risen to 9.2 percent; for whites, the comparable figure was 5.4 percent. By the end of 1971, while the whites rate remained static, black unemployment had again gone up—to 10.1 percent. At the end of 1972, the black joblessness rate had declined to 9.9 percent, but so did white unemployment—to 4.7 percent.

Governor Brimmer looked at the kinds of jobs held by blacks. He concluded that although the variety of black-held jobs had increased, blacks remain concentrated in "unpleasant and routine" jobs—in the low-wage industries.

From 1965, when the War on Poverty was inaugurated, until 1968, black participation in Federal manpower programs steadily increased. But, beginning in 1969, as Federal funding levels declined, so did black participation. If the President's 1974 manpower budget is approved, the Federal commitment to manpower training will decline by a full 10 percent.

Governor Brimmer pointed out that between 1960 and 1971, the black median family income doubled. However, in 1971, black families earned only 6.6 percent of the national income—despite the fact that blacks comprise 11.3 percent of the total population. In real dollars, moreover, the gap between white and black family incomes is growing. In 1960, the average white family made only $2,602 more than the average black family. But by 1971, the chasm had grown to $4,232.

The Governor also used statistics to prove that, while more whites are on welfare than blacks, welfare payments accounted for 6.2 percent of the total black income—compared to only 0.6 percent of the total income for whites.

I urge my colleagues to take the time to read Gov. Andrew F. Brimmer's compelling study. The complete report follows:

EMPLOYMENT AND INCOME IN THE BLACK COMMUNITY—TRENDS AND OUTLOOKS

(By Andrew F. Brimmer) *

I. INTRODUCTION

During the last few years, I have attempted to make at least an annual assessment of the economic progress of blacks in the United States. The last such examination on my part was undertaken about a year ago. The results of that inquiry suggested that blacks were lagging considerably in the recovery from the 1969–70 recession and that the outlook for the ensuing year was rather mixed.[1]

I have just completed another assessment of the recent economic trends among blacks, and the picture which merges is again a mosaic of progress and stagnation. In general, blacks are moving ahead on the economic front, but a number of divergent trends are evident. The implications of some of these developments (particularly the persistence of high unemployment among youths) for the economic future of blacks—and for the economy generally—are potentially serious. Consequently, I am personally convinced that the time has come for this nation to assign a much higher priority to efforts to open up genuine opportunities for those groups that have failed to share equitably in the benefits of economic growth.

The evidence on which this conclusion is based is presented in some detail in the following sections. In Section II, overall trends in the black labor force, employment, and unemployment in recent years are analyzed. In Section III, the disproportionate impact of the 1969–1970 recession on blacks and their lag in participation in the subsequent recovery are assessed. The changing occupational and industry structure of black employment is examined in Section IV. The problem of youth unemployment and the possible adverse effects of minimum wage legislation on the employment opportunities of young people are discussed in Section V. The current situation and outlook for Federal Government manpower programs (some of which have been of especial importance to blacks) are appraised in Section VI. In Section VII, trends in personal income in the black community are analyzed. In particular, it is shown that blacks (far from depending excessively on public welfare) earn their spending money to about the same extent as whites. A summary of the main results and conclusions of the analysis is presented in Section VIII.

II. TRENDS IN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

In 1972, there were 9.6 million blacks [2] in the labor force. They held 8.6 million jobs, and 956 thousands were unemployed. In the same year, the civilian labor force totaled 86.6 million; total employment amounted to 81.7 million, and 4.8 million workers were idle. Thus, last year, blacks made up 11.1 per cent of the civilian labor force, 10.6 per cent of total employment, and 19.8 per cent of total unemployment. (See Appendix Tables I and II, attached). Behind these figures, however, is a picture of black participation in the labor market which is far from comforting. The dimensions of the situation among blacks are generally known, but it might be helpful to sketch the highlights in broad outline.

Trends in the Black Labor Force. During 1972, as a whole, the civilian labor force expanded by 2.1 million, and the black component rose by 217 thousand. This meant that black workers represented 10.2 per cent of the labor force growth last year. However, the black participation rate [3] continued to decline during the year, dropping from an average of 60.9 per cent in 1971 to 60.0 per cent in 1972. This decline was more pronounced than long-run trends in participation would warrant, and much of the decrease continued to be among adult men. Among men aged 20–24 years, the sharp drop experienced over the last five years appeared to have been arrested as their participation rate remained unchanged at 81.5 per cent. In contrast, white men of the same age group increased their labor force participation during the year from 83.2 per cent to 84.3 per cent—probably in response to improved employment conditions.[4] Black workers in the experienced age group (25–54) continued to show declines in participation. Moreover, although decreases were not as sharp as during the 1970–71 period, the drops were greater than during the expansion period of the mid-1960's and sharper than among their white counterparts. It seems reasonable that the recession combined with the rapid growth in the number of better educated young workers may have produced an economic climate discouraging to adult black males, particularly those who lost jobs.

In general, participation rates for older black workers have declined in line with white rates. However, 1972 saw a sharp drop in participation among black men and women 55–64 years of age which was not experienced among their white counterparts. The decline may be a delayed response to slack economic conditions prevailing in 1971 as well as continued high unemployment levels in 1972 as these workers became discouraged in their job search and left the labor force. Also, these older workers may have been replaced by younger workers during this recovery phase of the business cycle.

Adult black women aged 20–34 increased their participation during 1972—although not as fast as white women—and declines were experienced in the age group 35–54. Black youth participation recovered from the slump experienced in 1971, but remained below the rates of the mid-1960's. At 39.0 per cent of the civilian labor force in 1972, black teenage participation was significantly less than the white teenagers rate of 54.3 per cent.

The rapid expansion in the black civilian labor force last year was due primarily to a substantial increase in the working age population. However, it also partly reflected the re-entry of black youths who had left the labor market during the 1969–70 recession. The principal dimensions of labor force expansion during the last few years (as well as during the decade of the 1960's) are presented in Tables 1 and 2. Table 1 shows changes in the civilian labor force, employment and unemployment, by color, sex, and age. Table 2 shows blacks' share of each of these labor market measures for the same time periods.

Several characteristics of the changing black labor force stand out in these data. During the substained expansion of the national economy from 1961 through 1969, the black labor force rose in line with the total civilian labor force. So, blacks as a fraction of the total remained unchanged at 11.1 per cent. Among blacks as well as among whites, adult women and youths of both sexes accounted for a larger share of the rise in the labor force during the 1960's than they represented at the beginning of the decade. But, in the last few years (as shown more fully below), the labor market experience of black workers has been substantially less favorable than that of their white counterparts.

Trends in Employment. Blacks got a moderately larger share of the increase in employment during the 1960's than they had at the beginning of the decade. In 1961, they held 10.4 per cent of the total, but they accounted for 12.7 per cent of the expansion in jobs between 1961 and 1969. Within the black group, adult females got a relatively larger share of the expanded jobs than was true of black men. This pattern paralleled that evident among whites. On the other hand, black youths made virtually no progress toward improving their relative employment position during the decade. This was in sharp contrast to the situation among white youths. In 1961, black youths had 0.6 per cent of the total jobs, and in 1969 they held 0.8 per cent. White youths expanded their share of total employment from 5.6 per cent to 7.0 per cent over these years.

These broad shifts in employment should be kept in mind. Other major changes in the trend and composition of black employment

Footnotes at end of article.

are examined further in a subsequent section of this paper.

Trends in Unemployment. Between 1961 and 1969, the total number of workers without jobs dropped by 1,883 thousand. This reflected the recovery from the 1960–61 recession as well as the substantial growth of the economy during the decade. Over these same years, unemployment among blacks declined by 400 thousand. This reduction was about in line with the decrease in joblessness in the economy generally, and blacks' share of total unemployment was roughly the same in 1969 (20.2 per cent) as it was in 1961 (20.6 per cent).

On the other hand, the distribution of unemployment within the black community changed significantly. Among black adult males and black adult females, the level of unemployment decreased over the decade—as did unemployment among all components of the white group. But among black youths, the level of unemployment was 34 thousand higher in 1969 than it was in 1961. Joblessness among black youths rose during the 1969–70 recession—along with unemployment among other groups. However, unlike the situation among all other groups in the labor force, unemployment among black youths has continued to worsen—even during the last two years of substantial economy expansion. The problem of unemployment among black youths—and some of the factors which seem to have a bearing on its persistency—are discussed further below.

III. IMPACT OF THE RECENT RECESSION AND RECOVERY

As indicated above, the 1969–70 recession had a disproportionately adverse impact on blacks. The extent to which this was true can be traced in Tables 3 and 4. Table 3 shows annual variations in the civilian labor force, employment, and unemployment, by race, age, and sex from the fourth quarter of 1969 through the fourth quarter of 1970. Table 4 shows the same data in terms of percentage distributions.

It will be recalled that economic activity reached a peak in the fourth quarter of 1969, and the recession lasted through the fourth quarter of 1970. By historical standards, this was a mild recession. For example, from peak to trough, real gross national product (GNP) declined by less than 1.0 per cent (from $725.1 billion to $718.0 billion in 1958 dollars) at a seasonally adjusted annual rate. During the same period, the number of employees on nonfarm payrolls decreased by 771 thousand. This was the net result of a decline of 1,612 thousand jobs in goods producing industries, which was partly offset by expansion of 841 thousand jobs in service producing industries. The declines were concentrated in manufacturing (1,514 thousand, of which durable goods accounted for 1,258 thousand). The gains were mainly in State and local government payrolls (419 thousand), services (297 thousand), wholesale and retail trade (103 thousand), and in finance, insurance, and real estate (94 thousand).[5]

During the first year of recovery (measured from the fourth quarter of 1970 through the fourth quarter of 1971), real GNP rose by 4 per cent at a seasonally adjusted annual rate (from $725.1 billion to $754.5 billion). Simultaneously, the number of workers on nonfarm payrolls climbed by 983 thousand. Employment in goods producing industries continued to decline on balance (by 53 thousand), with the manufacturing sector registering a further cutback of 103 thousand. In contrast, service producing industries expanded their employment by 1,036 thousand, and the gains were broadly based.

Over the second year of recovery (from the fourth quarter of 1971 through the fourth quarter of 1972), the economy as a whole registered outstanding gains. Real GNP expanded by nearly 8 per cent at a seasonally adjusted annual rate (from $754.5 billion to $812.4 billion). Paralleling this overall economic performance, the number of workers on nonfarm payrolls rose dramatically—by 2.7 million. A significant part of this increase (865 million) centered in goods producing industries—where employment had decreased in the first year of recovery. Manufacturing industries saw a rise of 783 thousand, among which durable goods accounted for 633 thousand. But the service producing industries also expanded employment appreciably—by 1,833 thousand. Again, these increases were widely distributed among service sectors—except the Federal Government where employment shrank by 28 thousand.

Impact of the Recession. The racial composition of these cyclical variations in payroll employment during the last few years cannot be traced since these data do not include a racial identification of persons employed. However, statistics collected monthly by the Bureau of the Census in its Current Population Survey and published by the Bureau of Labor Statistics do enable one to obtain a rough idea of the way in which blacks were affected by the recent recession and recovery.

An analysis of these data demonstrates clearly that blacks bore a major share of the increased burden of unemployment during the recession—while they have shared to a lesser extent in the gains made during the recovery. During the recession, the growth of the black labor force was dampened considerably. While blacks represented 11 per cent of the civilian labor force as recession began, they accounted for only 6 per cent of the rise in the number of workers employed or seeking jobs. The recession's adverse effects were especially noticeable among black youths. Among the latter, the number in the labor force actually shrank by 37 thousand. But the dampening effects on black women were also evident. In the final quarter of 1969, black females aged 20 and over made up 4.5 per cent of the civilian labor force; yet, they represented only 1.7 per cent of labor force expansion in the ensuing year. In contrast to these trends, both white youth and adult white women increased their labor force participation during the recession. The trends among adult men were mixed. Adult black men accounted for a slightly larger than average share of the labor force rise during the recession, while their white counterparts accounted for a noticeably smaller fraction.

The adverse effects of the recession on black employment are registered even more sharply. In fact, between blacks as a group and whites as a group, blacks suffered all of the recession-induced decline in jobs—while whites made further net job gains. From the fourth quarter of 1969 through the fourth quarter of 1970, total employment decreased by 66 thousand. This was the net result of a drop of 174 thousand in the number of jobs held by blacks which was partly offset by an increase of 108 thousand jobs held by whites. The cutback in black-held jobs occurred across the board: adult men, 22 thousand; adult women, 55 thousand, and youths, 97 thousand. Among whites, adult men and youths experienced a net decline in jobs (of 60 thousand and 139 thousand, respectively), but the number of adult white women employed rose by 307 thousand. Expressed differently, while blacks held 10.8 per cent of the total jobs at the onset of the recession, they absorbed all of the net decrease—and then some—in total employment which occurred during the period of declining economic activity.

In the case of unemployment, the pattern of black-white employment changes sketched during the recession was more complex. Yet, the adverse effects on blacks were still clearly evident. As the recession began, 566 thousand black workers were unemployed. Thus, they represented one-fifth of the total number of unemployed workers—roughly double their share of the labor force. Their unemployment rate was 6.2 per cent, or 1.88 times the 3.3 per cent unemployment rate for whites during the fourth quarter of 1969. During the following year, the total number of workers without jobs rose by 1,915 thousand. Among blacks, joblessness rose by 285 thousand.

This represented one-sixth of the total increase, so blacks as a proportion of the unemployment rolls declined slightly. Nevertheless, in the fourth quarter of 1970, there were 851 thousand blacks without jobs, and their unemployment rate was 9.2 per cent. In the same quarter, the unemployment rate for white workers was 5.4 per cent, so the black-white ratio was 1.70 to 1.

Among blacks as among whites, adult men experienced a relatively sharper increase in the incidence of unemployment than that recorded for adult women and youths. Yet, while both white men and white youths experienced some decline in employment during the recession, for whites as a group the net rise in unemployment was primarily a reflection of the growth of the white labor force at a pace in excess of what could be absorbed by a sluggish economy. Thus, the rise of 1,630 thousand in the number of unemployed whites was the net result of an increase of 1,740 thousand in the white labor force and an increase of 108 thousand in employment. In contrast, the rise of 285 thousand in the number of unemployed black workers reflected an expansion of 109 thousand in the black labor force and a drop of 174 thousand in black held jobs.

Experience During the Recovery. The experience of black workers during the recovery from the 1969–70 recession has been equally adverse. In the first year of recovery, blacks accounted for 11.2 per cent of the increase in the labor force—about in line with the long-run trend. However, the rate of expansion was especially rapid for black women, below average for black men, and the participation of black youths in the labor force continued to decline. Among whites, adult men contributed proportionately much less, adult women contributed slightly more, and youths contributed much more, to the growth of the white labor force than their long-run shares would have suggested.

With respect to employment, blacks' share of the gains during the first year of recovery fell well below average. As a group, they accounted for only 5.8 per cent of the rise in jobs—against 11.2 per cent of the rise in the civilian labor force. In fact, adult black men and black youths experienced further net job losses—thus offsetting part of the gains made by black women. In contrast, whites registered gains across the board.

As a result of these mixed trends, during the first year of recovery, the level of unemployment among blacks rose substantially—while joblessness among whites registered only a slight increase. By the fourth quarter of 1971, there were 950 thousand blacks without jobs—about 100 thousand more than in the same quarter a year earlier. Among whites, the level of unemployment in the fourth quarter of 1971 amounted to 4,105 thousand compared with 4,005 thousand a year earlier. During the same period, total unemployment rose by 199 thousand. This meant that half the rise in joblessness was focussed on blacks—in contrast to their sharing in less than 6 per cent of the job gains. Reflecting these changes, the black unemployment rate rose further from 9.2 per cent in the last quarter of 1970 to 10.1 per cent in the final quarter of 1971. Over the same period, the white rate remained unchanged at 5.4 per cent.

During the second year of recovery (from the last quarter of 1971 through the last quarter of 1972), blacks shared somewhat more in the gains from economic expansion than they did in the previous year. The black labor force expanded at a pace above its long-

Footnotes at end of article.

run trend, however, the rate of expansion in jobs was about in line with the long-run average. Consequently, the level of unemployment among blacks rose somewhat further. In contrast, although the white labor force expanded rapidly, employment among whites rose even more rapidly, and the level of unemployment declined moderately. Over this period, the total civilian labor force rose by 1,880 thousand, and the black component rose by 257 thousand—representing 13.7 per cent of the total. The proportion of the increase accounted for by adult black men was roughly in line with the long-run trend, and the share of adult black women was somewhat above the long-run average. Also during this period, the two-year decline in labor force participation by black youths was reversed. Among whites, the most important change in the labor force was the dramatic climb in the proportion of the growth attributed to youths.

Between the fourth quarter of 1971 and the final quarter of last year, total employment expanded by 2,349 thousand. Blacks got 247 thousand (or 10.5 per cent) of these jobs. About 183 thousand of the gains were made by adult black men, and adult black women got the remaining 64 thousand. Black youths did not share in the gains at all—although the number of black youths in the labor force rose by 52 thousand. Among whites, the number of jobs rose 2,102 thousand—with 989 thousand going to adult men, 540 thousand to white youths. So the latter got almost one-quarter of the net increase in jobs last year—although they represented only 8.1 per cent of the civilian labor force in the final quarter of 1971.

The level of unemployment declined by 468 thousand during the second year of recovery (to 4,618 in the final quarter of 1972). On balance, this decrease was not shared among blacks. Instead, in the fourth quarter of last year, black unemployment amounted to 960 thousand—10 thousand higher than a year earlier. At this level, joblessness among blacks represented 20.8 per cent of total unemployment—a fraction slightly higher than that recorded at the peak of economic activity in the closing months of 1969. While unemployment among adult black men dropped by 73 thousand, it rose among adult black women (32 thousand) and among black youths (51 thousand). In the case of whites, unemployment declined by 478 thousand. Of this amount, 148 thousand occurred among adult white women, and 79 thousand among white youths. Reflecting these contrasting changes, the black unemployment rates was 9.9 per cent in the fourth quarter of 1972—compared with 4.7 per cent among whites, for a ratio of 2.11 to 1.

In summary, after two years of recovery, unemployment among the total civilian labor force was 269 thousand below what it was when the turning point in economic activity occurred in the final quarter of 1970. Among white, unemployment was 378 thousand lower. But among blacks, unemployment was 109 thousand higher. So, the conclusion is inescapable: blacks bore a disproportionate share of the recession-induced decline in economic activity in 1969–70, and they have failed to share equally in the gains from economic recovery during the last two years.

IV. CHANGING STRUCTURE OF BLACK EMPLOYMENT

At this juncture, we can take a closer look at the principal changes in the composition of black employment in recent years. These changes can be seen in both the occupational and industry distribution of black workers.

Occupational Distribution. The extent of the occupational changes among blacks can be traced in Table 5. Advancement in the range of jobs held by blacks in the decade of the 1960's is quite noticeable. This is particularly true of the improvements in the highest paying occupations. Between 1960 and 1970, the number of blacks in professional and technical positions increased by 131 per cent (to 766 thousand) while the increase in the total was only 40 per cent (to 11.1 million). Blacks had progressed to the point where they accounted for 6.9 per cent of the total employment in these top categories in the occupational structure in 1970, compared with 4.4 per cent in 1960. They got about 12 per cent of the net increase in such jobs over the decade. During this same period, the number of black managers, officials and proprietors (the second highest paying category) rose two-thirds (to 297 thousand) compared to an expansion of 17 per cent (to 8.3 million) for all employees in this category.

In the 1960's, black workers left low-paying jobs in agriculture and household service at a rate one and one half times faster than did white workers. The number of black farmers and farm workers dropped by 61 per cent (to 328 thousand) in contrast to a decline of about 40 per cent (to 3.1 million) for all persons in the same category. Therefore, in 1970, blacks accounted for about 11 per cent of employment in agriculture, less than their share in 1960 when the proportion was 16 per cent. The exit of blacks from private household employment was even more striking. During the last decade, the number of blacks so employed fell by about 34 per cent (to 625 thousand); the corresponding drop for all workers was only 21 per cent (to 1.6 million). Although roughly half of all household workers were black in 1960, the ratio had declined to just over two-fifths by 1970. The number of black nonfarm laborers declined (by 9 per cent to 866 thousand) over the last decade, but the total number of laborers rose somewhat.

Nevertheless, as already indicated, the accelerated movement of blacks out of the positions at the bottom of the occupational structure did not flow evenly through the entire occupational structure. For example, blacks in 1970 still held about 1.5 million of the service jobs outside private households—most of which require only modest skills. This represented almost one-fifth of the total—about the same as the proportion in 1960. Moreover, the number of blacks holding semi-skilled operative jobs (mainly in factories) rose by 42 per cent (to about 2.0 million) during the decade, compared with an expansion of only 16½ per cent (13.9 million) for all workers. The result was that blacks' share of the total climbed from 12 per cent to over 14 per cent. Taken together, these two categories of lower-skilled jobs (chiefly in factories or in nonhousehold services) accounted for a somewhat larger share (42 per cent) of total black employment in 1970 than they did in 1960—when their share was about 38 per cent. In contrast, among all employees the proportion was virtually unchanged—27 per cent at the beginning of the decade and 28 per cent at its close.

While blacks made substantial progress during the 1960's in obtaining clerical and sales jobs—and also registered noticeable gains as craftsmen—their occupational center of gravity remained anchored in those positions requiring little skill and offering few opportunities for further advancement. At the same time, it is also clear from the above analysis that blacks who are well prepared to compete for the higher-paying positions in the upper reaches of the occupation structure have made measurable gains. Nevertheless, compared with their overall participation in the economy (11 per cent of total employment), the occupational deficit in white collar employment—averaging 40 per cent—remains large.

Data on occupational distribution of total employment by color in 1972 are also shown in Table 5. In general, these figures show the mixed job experience of blacks in the last two years. Black employment rose moderately, but blacks' share of the total jobs remained essentially unchanged. However, between 1970 and 1972, they raised their share of professional and technical jobs. The number of blacks employed in white collar jobs rose by 218 thousand, but the number holding blue collar jobs in 1972 was still 121 thousand below the 1970 level. Within the blue collar group, the attrition was most noticeable in the case of operatives. This situation was mainly a reflection of the fact that total employment in the manufacturing sector (in which a sizable proportion of blacks is employed) at the end of 1972 was still 658 thousand below the level recorded in December 1969.

Industry Structure of Black Employment. The industry distribution of black employment can be traced in Table 6. In 1968, about 24.2 per cent of black jobholders were employed in manufacturing. The corresponding proportion for total employment was 27.2 per cent. By 1972, the corresponding figures were 24.1 per cent for the total, and 22.6 per cent for blacks. Over the same four years, however, blacks' share of total jobs in manufacturing climbed slightly (from 9.6 per cent to 9.9 per cent). The extent to which blacks—compared to all workers—have found jobs in other industries is also shown in Table 6. For example, the proportion of the black work force employed in transportation and public utilities rose somewhat between 1968 and 1972—from 4.3 per cent to 5.0 per cent. The proportion for all workers was essentially unchanged—at about 5.8 per cent. However, a sizable divergence is evident in the trade field, in which 13.8 per cent of blacks—in contrast to 20.0 per cent of the total—had found jobs in 1972. These fractions were essentially the same in 1968. A smaller (but still noticeable) divergence can be seen in the case of finance. insurance and real estate—which accounted for 5.2 per cent of total employment compared with 3.2 per cent of black employment last year. Yet, these industries did become a somewhat more important source of black jobs in the last four years. On the other hand, blacks were overly represented in services (23.9 per cent of employed blacks vs. 17.9 percent of the total) in 1972.

Within manufacturing, blacks were found employed particularly in heavy industry. They were found especially in industries producing transportation equipment (mainly automobiles); in primary metals (particularly steel); in electrical equipment; in food and related products, and in apparel. While blacks held about 9.9 per cent of the total jobs was considerably higher. For example, as shown in Table 6, in 1972, their shares were: tobacco, 33.8 per cent; lumber and wood products, 19.4 per cent; primary metals, 13.9 per cent; apparel, 12.9 per cent; food processing, 11.2 per cent; stone, clay and glass, 11 per cent; transportation equipment, 11.6 per cent; furniture, 10.2 per cent, and textiles 13.4.

In weighing these figures on black employment in manufacturing, however, one should not conclude that blacks have found an equal chance for advancement in the nation's factories. This is far from the case. To a considerable extent, the industries with large numbers of black employees are those in which numerous jobs are unpleasant and routine or which require much physical strength or long endurance. Moreover, blacks are typically found in the lower paid blue collar occupations requiring only limited skills.

Still another aspect of the industry distribution of black employment can be seen in Table 7. This table shows average weekly earnings and blacks' share of industry employment in 1968 and 1972. These actual figures are also expressed in terms of index numbers. The average weekly earnings in all private industry and blacks' share of total employment are taken as the base (that is, equal to 100). Weekly earnings and blacks' share of employment in specific industries

are then expressed as a percentage of the base.

Several conclusions are suggested by these data. In general, blacks tend to have a disproportionate share of the jobs in low-wage industries, and they tend to be under-represented in high-wage industries. For example, among the low-wage manufacturing industries are lumber, tobacco, textiles, and apparel. In all of these, blacks' share of the total jobs in 1972 is well above their share of all jobs in the private sector. In contrast, among the high-wage industries, only in primary metals, stone, clay and glass, and transportation equipment (particularly automobile manufacturing) do blacks have an above average share of the total jobs. Among the high-wage manufacturing industries in which blacks are noticeably under-represented are fabricated metals, machinery (both electrical equipment and non-electrical varieties), instruments, paper, printing and publishing, and rubber. They are similarly under-represented in transportation and public utilities, wholesale trade, construction, and mining.

Between 1968 and 1972, blacks made some progress in migrating from low-wage to high-wage industries, but in several cases they became even more heavily represented in low-wage sectors. For example, blacks' share of total jobs declined somewhat in lumber and furniture manufacturing, food processing and in services—all low-wage industries. They also expanded their share of employment in a number of high-wage sectors: electrical machinery, transportation equipment, paper, chemicals, and petroleum manufacturing; in transportation and public utilities. On the other hand, blacks' share of total employment rose in tobacco, textiles, and apparel in which wages are below average. Their share eased off somewhat in printing and publishing and in wholesale trade in which wages are above average.

In general, blacks have been making modest progress in recent years in finding job opportunities in the better paying sectors of the economy. At the same time, however, they have also been becoming more heavily concentrated in some of those industries in which earnings remain well below the national average.

V. THE MINIMUM WAGE AND YOUTH UNEMPLOYMENT

As I mentioned above, the persistence of high levels of unemployment among youths—both black and white—is a widely-noted and troublesome problem. In fact, the situation among black youths is particularly distressing. In the fourth quarter of last year, the unemployment rate among workers 16–19 years of age was 15.6 per cent—compared with an overall rate of 5.3 per cent, and rates of 3.6 per cent and 5.2 per cent, respectively, for adult males and adult females. Among blacks, the overall rate in the same period was 9.9 per cent; it was 5.9 per cent for black men and 9.3 per cent for black women. But for black youths, the unemployment rate was 35.9 per cent. In contrast, among whites the overall rate was 4.7 per cent. It was 3.4 per cent for white men, 4.6 per cent for white women and 13.2 per cent for white youths.

As I also mentioned above, the youth unemployment rate has risen significantly in the last decade. Before the early 1960's, joblessness among youth was about two to three times the level of that of adults. However, since 1963, the rate has been four or five times greater. Moreover, the incidence of unemployment has fallen more heavily on black youth: the ratio of the black youth unemployment rate to the white youth jobless rate rose from 1.80 in 1963 to 2.90 at the end of 1972. Several developments over the past decade have contributed to the teenage unemployment problem: the substantial growth in the youth population, and increased proportion of school enrollees competing for part-time jobs, the movement of families from farms to the city where teenagers must compete in the urban labor market, and the effect of the draft with its attendant uncertainties.

In addition, the minimum wage laws have increasingly been a subject of scrunity by economists attempting to analyze the youth unemployment problem.[6] Last year amendments to the Fair Labor Standards Act (FLSA) were introduced in Congress which provided for a youth "subminimum" wage. The Administration had proposed a 20 per cent differential for workers under 18 years old and for full time students. In addition, it recommended this 20 percent differential for all 18 and 19 year olds for the first six months of their *first* job. This proposal was an attempt to ". . . recognize that during the early phases of a first job, the young person is in need of familiarization and orientation with the world of work. . . ." [7] A bill introduced early this year incorporates substantially the same features.[8] These proposals are based on the assumptions that increases in the level of minimum wages and broadening of the coverage have had an adverse impact on teenage employment opportunities.

A number of empirical studies have been conducted in an attempt to determine the relationship between the minimum wage and teenage employment. These studies, unfortunately, provide no consensus. A number purported to find disemployment effects among teenagers from rising minimum wages; others concluded these effects were not evident. While time does not permit an assessment of all of the studies, several major research efforts are reviewed below.

The Bureau of Labor Statistics conducted a series of studies,[9] and reported that increases in the level and coverage of the Fair Labor Standards Act (FLSA) may have contributed to the employment problem of young people. Yet, BLS concluded that, in general, it was difficult to disentangle such effects from numerous other influences—such as growth in the youth population, the military draft and other factors. This conclusion was based in part on results of statistical analysis (using regression techniques) in which teenage unemployment ratios by age, race, and sex were related to the armed forces participation of teenagers, agricultural employment ratios, the unemployment rate of adult males (a proxy for the business cycle), the proportion of teenagers in the population, a minimum wage variable, and a variable (dummy) representing manpower programs. From the results obtained, some highly tentative conclusions emerged. Extensions of coverage of minimum wages may have more of an effect on teenage employment than the level of minimum wages; Federal manpower programs may have offset the disemployment effect of minimum wage changes; and FLSA seemed to have had a larger effect on 16–17 year olds than on 18–19 year olds. In a related study, the BLS found that employer attitudes (as reflected in a BLS survey) suggested that a substantial youth wage differential (at least 20 per cent) might provide an incentive to overcome the apprehension of employers about the quality of teenage job seekers—especially 16 and 17 year olds.

Other researchers have reached different conclusions. One of these [10] found that increases in either the level or coverage of FLSA led to an increase in teenage joblessness. The author of this study employed a statistical technique in which he regressed unemployment rates by age, sex, and race against the jobless rate for males 25 and older, the minimum wage as a proportion of average hourly earnings, and the proportion of black teenagers in the population. He observed that the increases in unemployment among teenagers corresponding to an increase in either the level of coverage of minimum wage were higher for black youth than for white and for females than for males. When the same analysis was applied to men 20–24, FLSA changes did not appear to have a noticeable impact. However, this study may not have included all the relevant variables. Notably the author did not account for the increased proportion of all teenagers in the labor force, and another study [11] which took into account the sharp rise in the teenage population reported no statistically significant unemployment effects.

Another study reached conclusions similar to those described above.[12] Using statistical techniques [13] which related the employment rates of teenagers to "normal" employment (the difference between normal and actual employment) and the minimum wage as a percentage of average hourly earnings times the estimated coverage, the authors concluded that increases in the minimum wage sharpened the vulnerability of teenage employment to cyclical fluctuations and also decreased the teenage share of total employment. Moreover, the authors found that black youth bore a disproportionate share of the disemployment effects. However, a criticism may be leveled at this study too, on the grounds that the authors excluded from their analysis other factors—such as population growth, school enrollments, etc.—which would presumably have had an effect on the teenage share of employment.

It is difficult to draw firm conclusions from these empirical studies unless one is willing to play one methodology off against another. On balance, however, I think the evidence tentatively suggests that changes in the FLSA may have had some adverse impact on teenage employment—especially through the extension of FLSA coverage to service and trade establishments with amendments in 1961 and 1966.

In the light of this tentative conclusion—and given the extremely serious problem of youth unemployment (particularly among black teenagers)—I think a youth differential may, to some extent, alleviate the burden of youth unemployment. But I would not expect the establishment of a below-minimum entry wage to result in an expansion of the teenage share of employment. Instead, a differential might maintain the employment status quo in that it might preserve jobs which may otherwise disappear with increases in the minimum wage. And, judging from the evidence presented in some of the research studies, I would expect a youth differential to have the geratest impact on 16–17 years olds—the majority of whom are currently earning less than the minimum wage.

VI. FEDERAL MANPOWER PROGRAMS AND BLACK EMPLOYMENT

At this point in the discussion, I would like to explore briefly participation by blacks in the principal manpower programs sponsored by the Federal Government—especially in the decade of the 1960's. These programs are currently undergoing a reassessment, and—depending on the final outcome of the review—the implications for black employment may be particularly serious.

Blacks have been well represented in Federal manpower training programs. In fact, their participation in all major programs has been well above their proportion in the work force. However, this parallels to some extent the proportion of the low income population that is black. Black participation rates by program are shown in Table 8. A trend is clearly evident: expenditures on programs increased quite rapidly from the introduction in fiscal 1965 of the War on Poverty programs to a peak in 1968, and expenditures tended to taper off in each subsequent year

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until the introduction of the Emergency Employment Act in 1971.

Prior to 1968, blacks increased their participation in most programs each year as special efforts were made to increase their enrollment. As funding levels eased off in 1969 and 1970, black proportions declined somewhat—in spite of increases in the total number of enrollees in the programs—and black participation continued to edge down in 1971 and 1972. More than likely this result was due to the lower level of program expenditures in combination with the 1970–71 recession. As workers were laid off during this period, they may have displaced the more disadvantaged—mostly blacks—as enrollees in training programs.

In 1965, blacks constituted about 30 per cent of MDTA institutional training—one of the largest manpower programs in terms of expenditures. By 1968, they accounted for more than 45 per cent, but their share eased off in each subsequent year so that in 1972 only one-third of MDTA enrollees were black. Similar trends are evident in other major manpower programs: the MDTA on-the-job training program served about 12,000 individuals in 1965, one-fifth of whom were black. By 1968 the black proportion had risen to over one-third, but in 1972 their share had declined to about one-fourth. The Job Opportunities in the Business Sector Program, designed to provide jobs to the hard-core disadvantaged, was introduced in fiscal 1969 with enrollees who were about 80 per cent black. However, the proportion dropped off sharply to about 45 per cent as the impact of the recession was felt. The same pattern can be observed for the Concentrated Employment Program.

Only in two of the major manpower programs did blacks maintain their peak participation: Neighborhood Youth Corps and the Job Corps. Both of these programs were tailored to serve inner city youth and, as such, were somewhat insulated from the change in clientele brought about by the economic slump.

Current Status and Future of Manpower Programs. Outlays on manpower programs are expected to be reduced about 10.0 per cent to $4.8 billion in fiscal 1974. The decline is mainly attributable to the phaseout of the Emergency Employment Assistance (EEA) program which had funded transitional public service jobs for States and localities. New federal spending is primarily confined to veterans and rehabilitation programs and the Work Incentive Program.

The WIN program apparently will be emphasized by the Administration. It was revamped in 1972 by amendments to the Social Security Act of 1967 and the Revenue Act of 1971 after little success with the institutional training approach. Under the first of these amendments all "able-bodied" welfare recipients are required (as of July 1, 1972) to register for jobs or job training under WIN except those who clearly cannot work—the aged, children under 16 years, etc. The Federal Government funds up to 90 per cent of the cost of manpower, childcare, and other supportive services with the remainder picked up by the States. At least one-third of WIN expenditures must be used for on-the-job training and public service employment—reflecting a clear preference for jobs rather than classroom training. After six months of registering eligible persons on welfare (about 566,000 AFDC recipients), the Manpower Administration in the U.S. Department of Labor reported that 39,450 had been placed in unsubsidized jobs, and an additional 9,718 had been placed in job training or public service jobs with wages paid by the WIN program. The Administration estimates that in fiscal 1973, a total of 150,000 welfare recipients will be placed in jobs while a total of 120,000 will be referred to training. The comparable fiscal 1974 figures are 165,000 placed in jobs and 132,000 referred to training.

The amendment to the Revenue Act of 1971 provides employers with a tax credit for wages and salaries of WIN graduates—20 percent provided the employee remains on the payroll for 12 months. The tax credit may not exceed $25,000 plus 50 percent of taxpayer's income tax liability in excess of $25,000 in any one year, but the credit may be carried back three taxable years and/or forward seven taxable years. Since July 1972, about 6,232 persons have been claimed by employers under the Job Development Tax Credit. This part of the program may be expected to expand in fiscal 1973 and 1974 if more private employment opportunities become available.

The traditional manpower programs under the Manpower Training and Development Act (MDTA) and Economic Opportunity Act (EOA) will be replaced by Manpower Revenue Sharing. Although Manpower Revenue Sharing legislation was not passed by Congress in the last session, the budget for fiscal 1974 established revenue sharing de facto by decategorizing existing manpower programs under MDTA and EOA (including MDTA institutional and on-the-job training, Neighborhood Youth Corps, Operation Mainstream, and Concentrated Employment Program) and making available black grants to State and local governments to choose program mixes which they believe are best suited to local conditions. The critical factor here is that decision making will be transferred to State and local governments. The Administration feels the shift will increase the efficiency of program design and implementation. However, it is impossible to predict the results of this change at this time.

In fiscal 1974 and 1975, about 75 percent of the program funds under MDTA and EOA will be made available to States and localities. The remaining 25 percent will be retained at the Federal level for national supervision, research, and demonstration. The transfer of policy making will build on CAMPS (Co-operative Area Manpower Planning Systems) committees which are advisory councils appointed by State and local elected officials and responsible to them. The councils will advise State governors and mayors on manpower needs and programs and assist in the development of comprehensive manpower plans for their areas.

The funding of programs under Manpower Revenue Sharing was cut back in fiscal 1973 by some $250 million, and further across the board cuts are expected in fiscal 1974. Major programs affected by reduced outlays are MDTA institutional, Concentrated Employment Program, and the Neighborhood Youth Corps (where funding will be reduced by about $150 million from the fiscal 1972 levels). The Job Corps will continue to be run on the federal level, but spending will be reduced, and it is anticipated that a number of the Job Corps centers will be closed. The Job Opportunities in the Business Sector (JOBS), run by NAB will continue to be federally funded.

Since its August, 1971, inception, the Public Employment Program has employed a total of 283,147 people.[14] As of the end of November, 1972, 143,561 were employed in PEP slots. Of these, 22 per cent were black; about 40 per cent were disadvantaged. Jobs under PEP were temporary employment, and the Manpower Administration reports that 56 per cent of the enrollees had found permanent employment either with the program agent, other public agencies of the private sector. The Administration plans to phase out PEP primarily because the number of private sector jobs has increased substantially, unemployment has declined, and the financial ability of State and local governments to meet the demands for public services has improved. However, although Federal funding will terminate at the end of fiscal 1973, mayors and governors are anticipated to continue to support some public work opportunities under Manpower revenue sharing.

But whatever course the Federal Government manpower program finally takes—and in whatever form they may be continued at the State and local level—it is clear that blacks have a major stake in the outcome. Without some continued—and substantially broadened—training and skill-upgrading efforts, there appears to be little likelihood that blacks will greatly improve their employment position in the years ahead.

VII. INCOME TRENDS IN THE BLACK COMMUNITY

Another way of assessing the economic situation among blacks is to examine trends in their income. Census Bureau data for 1971 (the most current year available) presented in Table 9 indicate that total money income of black families and unrelated individuals was $46 billion in that year. This was 6.6 percent of the total—which amounted to $695.2 billion. This share for blacks should be weighed against the fact that blacks compose about 11.3 per cent of the total population. If they had received the same fraction of total income, their cash receipts in 1971 would have amounted to $78.6 billion—or $32.6 billon more than they actually received. The explanation for this short-fall is widely known: a legacy of racial discrimination and deprivation has limited blacks' ability to acquire marketable skills while barring them from better-paying jobs.

It will be close to the end of the current year before Census Bureau figures on personal income in 1972 are available. However, from a comparative analysis of the personal income figures published by the Bureau of Economic Analysis (BEA) in the U.S. Department of Commerce, and those published by the Census Bureau each year, one can make an estimate of the racial distribution of total money income in 1972.[15] On the basis of such an analysis, it is estimated that total money income last year was in the neighborhood of $755 billion. It is also estimated that blacks received about $51 billion of this amount—representing 6.7 per cent of the total. These estimates suggest that total money income of blacks rose by about 10 per cent in 1972—compared with about 8½ per cent for the total. This relative improvement in the income position of blacks is a reflection of their greater (although still unsatisfactory) participation in the continued recovery of the economy in 1972 compared with their experience in the preceding year.

The median family income of blacks in 1971 was $6,440, a rise of 2.6 per cent over 1970. The rise in the median income of white families during 1971 amounted to 4.3 per cent. This slower expansion in black income was another indication of the failure of blacks to participate equally in the recovery of the economy in 1971. In contrast, blacks actually experienced a slightly faster rise in their median income in 1970 than that recorded for whites (4.7 per cent and 4.5 per cent, respectively).

As a group, black families made great strides over the decade of the 1960's in increasing their income. The median family income of blacks in 1971 was about double the level in 1960 which appears to compare favorably with a rise of roughly 83 per cent for white families over the same period. However, in absolute terms, black families received an average of $4,232 less than white families in 1971—whereas they received $2,602 less in 1960. This difference in 1971 was equal to two-thirds of black families' median income. Thus, although blacks have been gaining relative to whites over the decade, this progress was dampened somewhat by the recession in 1969–70. But aside from this factor, they still lag far behind the average

Footnotes at end of article.

American white family—since blacks' median family income was only 60 per cent of the latter's in 1971.

Another way of comparing income differences is to look at how income is distributed among the respective black and white populations. The most common way of doing this is to use a statistical measure showing how equally income is distributed within a population.[16] If a given percentage of the population receives an equal percentage of the total income and this holds true for all groups in the population, then the degree of income inequality would be zero. Calculations of this measure by the Bureau of the Census for black and white families indicate that black income has historically been less equally distributed than white family income even though the differences between the two have narrowed slightly over the last decade. However, in recent periods of declining or slow economic growth, the difference in the income distribution for black and white families have increased. This was true during the brief period of declining economic activity in 1967 and also in 1970.

In general, this pattern of income distribution implies that lower income black families receive an even smaller proportion of total money income than do lower income white families in periods of reduced economic growth. Some of the greater sensitivity of the income of black families to cyclical slowdowns may be explained partially by the fact that a rapidly increasing proportion of black families is headed by females (3¼ times as many as white families in 1970 compared with 2½ times as many in 1960). The fact that the average number of earners in black families has actually been declining in the last few years (in contrast to a rise in the average number of earners of white families) may also contribute to the observed results. Thus, although income of blacks appears to have held up quite well in the recent period, it still lags far behind white income. In addition, average for blacks as a whole may disguise a deteriorating situation for lower income black families.

Sources of Black Income. Still other insights into the income situation among blacks can be observed from the figures in Table 10, showing sources of personal income by race in 1971. Several features can be highlighted. In the first place, it will be noted that blacks work for their income to about the same extent as do whites. Roughly 84 cents of each dollar of black income was derived from earnings in 1971 compared with 86 cents for whites. Yet, significant differences do exist and can be traced when earnings are broken down into specific receipts. About four-fifths of blacks' earnings consisted of wage and salaries—compared with just over three-fourths for whites. Only 3 per cent of blacks' income was obtained from nonfarm self-employment—against 7½ per cent for whites. This difference is clearly a reflection of the much smaller incidence of business ownership among blacks.

Income sources other than earnings provided about 16 per cent of total receipts for blacks and about 14 per cent of white receipts. However, the detailed sources differed markedly in several instances. Two sources were virtually identical: Social Security and Railroad Retirement receipts represented 4.8 per cent of the total for blacks and 4.5 per cent for whites. Unemployment and workmen's compensation represented 2.4 per cent of the total for both groups. On the other hand, private pension funds were a slightly less important source of income for blacks than for whites—1.4 percent vs. 1.8 per cent of the total, respectively.

But the major divergence among blacks and whites with respect to a specific income source is found in the case of public assistance and welfare. In 1971, this source provided $2.8 billion (or 6.2 per cent) of the total income of blacks. The figures for whites were $4.2 billion (or only 0.6 per cent of the total). So, in 1971, blacks received almost two-fifths of the total welfare payments—compared with their 11 per cent of the nation's total population.

The explanation of this heavier reliance on public assistance by blacks is widely known, but it might be helpful to reiterate the reasons: the incidence of poverty in the black community is roughly double that among whites, and—obviously—welfare payments are made to the poor and not to the rich. Moreover, the principal component of welfare outlays is aid to families with dependent children (AFDC). The typical AFDC family is headed by a female, and the proportion of such families is greater among blacks than among whites. In recent years, black families have made up about half of all AFDC families, but they have accounted for less than their proportionate share of those receiving aid to the blind, aged, and disabled.

In turning away from these income figures, several points should be kept in mind: blacks work for their income to roughly the same degree as whites. At the same time, the legacy of discrimination and deprivation have limited their accumulation of property and restricted their income for the ownership of investments. These same adverse factors have kept blacks disproportionately poor and have increased their reliance on public assistance. Yet, welfare receipts amount to only a minimal fraction of the total income of blacks. Instead, wages and salaries are the principal source of their spending money—the same as for whites.

VIII. SUMMARY AND CONCLUSIONS

The principal conclusions reached in this study have been presented in each of the foregoing sections. However, it might be helpful to summarize them here.

Blacks improved their relative economic position during the 1960's. But their pace of advance compared with whites has slackened somewhat in the last few years. The lag can been seen in several measures—including a slower growth in the black labor force, the smaller share of new jobs obtained by blacks, and the continued climb in black unemployment.

In particular, the 1969–70 recession had a disproportionately adverse impact on blacks. They experienced a relatively greater increase in unemployment (and they got a smaller share of new jobs) during the recession and first year of recovery than was true of whites. While blacks shared more equitably in economic gains last year, they were still carrying a disproportionate share of the lingering effects of the recent recession.

Blacks are continuing to make some progress in occupational upgrading. Yet, their occupational center of gravity remains rooted in jobs requiring little skill and which offer little hope of advancement. Moreover, blacks are also still generally concentrated in low-wage industries. Here, too, they were able to make some headway in expanding their share of the jobs in better-paying industries; but simultaneously they became somewhat more heavily concentrated in several industries with the lowest wage scales.

It appears that the difficult problem of persistently high unemployment of youths (particularly of young blacks) is being aggravated by Federally imposed minimum wage legislation. While the analytical evidence presented by economists on the relationship between statutory minimum wages and youth unemployment is mixed, on balance, it seems to suggest that the impact of such measures has been adverse. Given this evidence, I have concluded that it would be desirable for Congress to amend the existing fair labor standards to permit employers to offer entry rates to youths below the regular minimum wage level.

Blacks have been among the principal beneficiaries of the Federally supported manpower programs introduced in the 1960's. However, their participation in such programs—compared with other groups in the society—appears to have declined in the last few years. Yet, given the large number of blacks (especially black youths) who still have few—if any—skills, the continuing need for programs to improve our human resources seems to be obvious. In the meantime, existing programs are being reassessed. Some are being phased-out while others are expected to be taken over by States and localities and financed through revenue sharing. But, whatever new arrangements finally do come into being, the future of these manpower programs clearly is of major importance to blacks—as well as to the rest of the country.

The money income of blacks apparently reached $51 billion last year—representing 6.7 per cent of the total. In 1971, reflecting the continued greater impact of the 1969–70 recession on blacks than on whites, the income of blacks expanded much more slowly than was the case for whites. Last year—as blacks shared more equitably in the gains from further economic growth—the rise in black income was relatively greater than that recorded for their white counterparts. Nevertheless, the gap between the median incomes of black and white families continued to widen in recent years. Finally, when one examines the sources of black income, it is clear that blacks—far from depending excessively on public welfare—work for their spending money to about the same extent as do whites. Instead, the higher incidence of welfare receipts among blacks is a reflection of the greater impact of poverty and deprivation in the black community.

Before ending this paper, let me make a few additional observations with respect to the conclusions reached above regarding the introduction of an entry wage for youth below the statutory minimum. I appreciate the fact that a number of economists, public officials, and other observers (as well as officials of trade unions) have long held the view that such a provision would undercut the hard-won gains made by the labor movement over many years. I admit that, if employers could pay wages below the statutory minimum, they most likely would use the option to attract employees whom they otherwise might not be willing to put on their payroll. That is precisely the point: the willingness of employers to bring in teenagers as well as any other employees presupposes that the productivity of the newly-hired workers would at least equal the wage—after some reasonable allowance for learning time. On the record, it appears that a substantial number of employers have concluded that a considerable proportion of young people simply cannot meet that test. An entry wage below the statutory minimum would help to reduce this employment disincentive.

At the same time, I also realize that safeguards would have to be built into any amendment to the Fair Labor Standards legislation. Undoubtedly, some employers would attempt to replace some of their high-wage employees with workers to whom they could pay less. But the extent of that risk is uncertain. Against it must be offset the present certainty of persistent high unemployment among young people. I know that any substitution of lower paid youth workers for higher paid, more mature employees would involve some cost; but some benefits would also result. Thus, it becomes a question of trade-offs. Under the circumstances which are already prevailing, a disproportionate share of the burden of unemployment is borne by teenagers. This is especially true in the case of black teenagers.

So, I have concluded that the appropriate course for public policy at this juncture is to shift some of that burden to the shoulders of those better able to bear it. If this requires the use of public funds to provide modest subsidies to private employers to induce them

Footnotes at end of article.

to hire more teenagers while limiting the replacement of more skilled workers, I personally believe that would be a good use of the public's tax money.

FOOTNOTES

* Member, Board of Governors of the Federal Reserve System.

I am grateful to the following persons on the Board's staff for assistance in the preparation of this paper: Ms. Diane Sower was particularly helpful. She organized and helped to analyze the statistics on employment and the Federal Government's manpower programs, and she also undertook the survey of the economic literature relating to the effects of minimum wages on youth unemployment. Mr. John Austin and Mrs. Ruth Robinson (my regular assistants) also helped in the preparation of the paper. In particular, Mr. Austin was helpful in the task of estimating personal income by race for 1972.

However, while I am grateful for the staff's assistance, the views expressed here are my own. Neither should they be attributed to my colleagues on the Board.

[1] See "The Economic Situation of Blacks in the United States," presented before the Joint Economic Committee of Congress, February 23, 1972. Reprinted in the *Federal Reserve Bulletin*, March, 1972, pp. 257–73.

[2] Most of the statistics relating to blacks as used in this paper refer to "Negroes and other races"; Negroes constitute about 92 per cent of the persons in this statistical category.

[3] Total labor force as a percent of noninstitutional population.

[4] U.S. Department of Labor, Bureau of Labor Statistics.

[5] See *Economic Report of the President*, January, 1973, Table 5, p. 27.

[6] In passing, it may be noted that the prevailing minimum wage is $1.60 an hour for nonagricultural workers in covered employment. In the last session of Congress proposals were made to raise the legal minimum to $2.00 an hour (House-passed bill) or to $2.20 an hour (Senate-passed bill). Currently, proposed legislation in the House provides an increase to $2.10 an hour.

[7] Testimony of Secretary of Labor Hodgson before the Subcommittee on Labor, Senate Labor and Public Welfare Committee, May 26, 1971.

[8] Introduced by Congressman John N. Erlenborn of Illinois. Notably the bill provides for youth minimum for full time students and for nonstudents 16–17 years old for the first six months on the job. Eighteen and nineteen year olds would be covered by the full standard.

[9] "Youth Unemployment and Minimum wages," Bureau of Labor Statistics, Bulletin 1657, 1970.

[10] Thomas Gale Moore, "The Efforts of Minimum Wages on Teenage Unemployment Rates," Journal of Political Economy (July/August, 1971).

[11] Masanore Hashimoto and Jacob Mincer, "Employment and Unemployment Effects of Minimum Wages," *The NBER Survey of Research into Poverty Markets*, National Bureau of Economic Research (forthcoming).

[12] Marvin Kosters and Finis Welch, "The effects of Minimum Wages by Race, Sex, and Age" in *Racial Discrimination in Economic Life*, edited by Anthony Pascal, 1972.

[13] In this study, nonlinear regressions were used.

[14] Latest available data were through November, 1972.

[15] The BEA personal income data do not contain a racial breakdown—in contrast to the Census Bureau figures.

[16] Economists will recognize this measure as the "Gini" coefficient.

TABLE 1.—CHANGES IN THE CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT, BY COLOR, SEX AND AGE, 1960-72

[Thousands]

Period	Total				Black [1]				White			
	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19
CIVILIAN LABOR FORCE												
1960–61	829	257	480	92	88	20	63	5	741	237	417	87
1961–69	10,273	2,491	5,747	2,035	1,511	266	656	229	9,122	2,225	5,091	1,806
1969–70	1,985	839	868	278	243	147	90	6	1,742	692	778	272
1970–71	1,395	671	519	205	125	47	105	−20	1,270	624	414	232
1971–72 [2]	2,127	838	744	545	217	87	71	59	1,910	751	673	486
EMPLOYMENT												
1960–61	−38	−201	192	−29	−101	−71	−8	−22	63	−130	200	−7
1961–69	12,156	4,046	6,100	2,010	1,551	604	755	195	10,605	3,445	5,345	1,815
1969–70	727	166	536	25	62	51	47	−36	665	115	489	61
1970–71	490	221	216	53	−43	−33	30	−40	553	254	186	93
1971–72 [2]	2,290	1,006	791	492	174	97	57	19	2,116	909	734	473
UNEMPLOYMENT												
1960–61	861	458	288	115	183	91	71	21	678	367	217	94
1961–69	−1,883	−1,555	−353	25	−400	−335	−99	34	−1,483	−1,220	−254	−9
1969–70	1,258	673	332	253	181	96	43	42	1,077	577	289	211
1970–71	904	450	303	151	167	80	74	13	737	371	229	138
1971–72 [2]	−163	−168	−47	52	43	−10	15	39	−206	−158	−62	13

[1] Negro and other races, of which Negroes constitute about 92 percent.

[2] The changes shown here for 1971–72 cannot be derived directly from the statistics presented in appendix table I. The changes indicated for these years have been adjusted to reflect the change in population controls made by the Bureau of Labor Statistics and introduced in January 1972. For an explanation of the adjustments, see "Employment and Earnings," February 1972.

Source: Calculated from appendix table I.

TABLE 2.—PERCENTAGE DISTRIBUTION OF CHANGES IN CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMFLOYMENT, BY COLOR, SEX, AND AGE, 1960-72

Period	Total				Black [1]				White			
	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 16
CIVILIAN LABOR FORCE												
1960–61	100.0	31.0	57.9	11.1	10.6	2.4	7.6	0.6	89.4	28.6	50.3	10.5
1961–69	100.0	24.2	55.9	19.8	11.2	2.6	6.4	2.2	88.8	21.7	49.6	17.6
1969–70	100.0	42.2	43.7	14.0	12.2	7.4	4.5	.3	87.8	34.9	39.2	13.7
1970–71	100.0	48.1	37.2	14.7	9.0	3.4	7.5	1.9	91.0	44.7	29.7	16.6
1971–72 [2]	100.0	39.4	35.0	25.6	10.2	4.1	3.3	2.8	89.8	35.3	31.6	22.8
EMPLOYMENT												
1960–61	100.0	528.9	−505.2	76.3	265.8	186.8	21.1	57.9	−165.8	342.1	−526.3	18.4
1961–69	100.0	33.3	50.2	16.5	12.7	4.9	6.2	1.6	87.3	28.4	44.0	14.9
1969–70	100.0	22.8	73.8	3.4	8.5	7.0	6.5	−5.0	91.5	15.8	67.3	8.4
1970–71	100.0	45.1	44.1	10.8	−8.8	−6.7	6.1	−8.2	108.8	51.8	38.0	19.0
1971–72 [2]	100.0	43.9	34.5	21.5	7.6	4.2	2.5	.8	92.4	40.0	32.1	20.7
UNEMPLOYMENT												
1960–61	100.0	53.2	33.5	13.3	21.3	10.6	8.3	2.4	78.7	42.6	25.2	10.9
1961–69	100.0	82.6	18.7	−1.3	21.2	17.8	5.2	−1.8	78.8	64.8	13.5	.5
1969–70	100.0	53.5	26.4	20.1	14.4	7.6	3.4	3.4	85.6	45.9	22.9	16.8
1970–71	100.0	49.8	33.5	16.7	18.5	8.9	8.2	1.4	81.5	40.9	25.3	15.4
1971–72 [2]	100.0	103.1	28.8	−31.9	−26.4	6.1	−9.2	−23.9	126.4	96.9	38.0	−8.0

[1] Negro and other races, of which Negroes constitute about 92 percent.

[2] The changes shown here for 1971–72 cannot be derived directly from the statistics presented in appendix table I. The changes indicated for these years have been adjusted to reflect the change in population controls made by the Bureau of Labor Statistics and introduced in January 1972. For an explanation of the adjustments, see "Employment and Earnings," February 1972.

Source: Calculated from appendix table I.

TABLE 3.—CYCLICAL VARIATION IN THE CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT, BY RACE, AGE, AND SEX, 1969–72

[Thousands of persons]

Category and time period	Total				Black[1]				White			
	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19
CIVILIAN LABOR FORCE												
Level:												
1969:4	81,528	46,591	27,736	7,201	9,093	4,630	3,633	830	72,435	41,961	24,103	6,371
1970:4	83,377	47,485	28,522	7,370	9,202	4,745	3,664	793	74,175	42,740	24,858	6,577
1971:4	84,987	48,175	29,173	7,639	9,383	4,790	3,810	783	75,604	43,385	25,363	6,856
1972:4	87,199	49,130	29,863	8,206	9,685	4,885	3,955	845	77,514	44,245	25,908	7,361
Changes:												
1969–70	1,849	894	786	169	109	115	31	−37	1,740	779	755	206
1970–71	1,610	690	651	269	181	45	146	−10	1,429	645	505	279
1971–72	1,880	847	519	514	257	109	96	52	1,623	738	423	462
1970–72	3,490	1,537	1,170	783	438	154	242	42	3,052	1,383	928	741
EMPLOYMENT												
Level:												
1969:4	78,585	45,542	26,711	6,332	8,525	4,457	3,434	634	70,060	41,085	23,277	5,698
1970:4	78,519	45,460	26,963	6,096	8,351	4,435	3,379	537	70,168	41,025	23,584	5,559
1971:4	79,330	46,074	27,511	6,345	8,433	4,421	3,478	534	71,497	41,653	24,033	5,811
1972:4	82,581	47,346	28,307	6,928	8,726	4,596	3,588	542	73,855	42,750	24,719	6,386
Changes:												
1969–70	−66	−82	252	−236	−174	−22	−55	−97	108	−60	307	−139
1970–71	1,411	614	548	249	82	−14	99	−3	1,329	628	449	252
1971–72	2,349	1,171	637	540	247	183	64	0	2,102	989	573	540
1970–72	3,760	1,786	1,185	789	329	169	163	−3	3,431	1,617	1,022	792
UNEMPLOYMENT												
Level:												
1969:4	2,941	1,049	1,023	869	566	173	198	195	2,375	876	825	674
1970:4	4,856	2,024	1,559	1,273	851	310	285	256	4,005	1,714	1,274	1,017
1971:4	5,055	2,100	1,661	1,294	950	369	332	249	4,105	1,731	1,329	1,045
1972:4	4,618	1,785	1,556	1,277	960	290	367	303	3,658	1,495	1,189	974
Changes:												
1969–70	1,915	975	536	404	285	137	87	61	1,630	838	449	343
1970–71	199	76	102	21	99	59	47	−7	100	17	55	28
1971–72	−468	−324	−116	−28	10	−73	32	51	−478	−251	−148	−79
1970–72	−269	−248	−14	−7	109	−14	79	44	−378	−234	−93	−51

[1] Negro and other races, of which Negroes constitute about 92 percent.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 4.—CYCLICAL VARIATION IN THE CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT, BY RACE AGE, AND SEX, 1969–72

[Percentage distribution]

Category and time period	Total				Black[1]				White			
	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19
CIVILIAN LABOR FORCE												
Level:												
1969:4	100.0	57.1	34.0	8.9	11.2	5.7	4.5	1.0	88.8	51.4	29.6	7.8
1970:4	100.0	57.0	34.2	8.8	11.0	5.6	4.4	1.0	89.0	51.3	29.8	7.9
1971:4	100.0	56.7	34.3	9.0	11.0	5.6	4.5	.9	89.0	51.1	29.8	8.1
1972:4	100.0	56.3	34.2	9.5	11.1	5.6	4.5	1.0	88.9	50.7	29.7	8.5
Changes:												
1969–70	100.0	48.4	42.5	9.1	5.9	6.2	1.7	−2.0	94.1	42.1	40.8	11.2
1970–71	100.0	42.9	40.4	16.7	11.2	2.8	9.1	−.6	88.8	40.1	31.4	17.3
1971–72	100.0	45.0	27.6	27.3	13.7	5.8	5.1	2.8	86.3	39.3	22.5	24.5
1970–72	100.0	44.0	33.5	22.5	12.5	4.4	6.9	1.2	87.5	39.6	26.6	21.2
EMPLOYMENT												
Level:												
1969:4	100.0	58.0	34.0	8.0	10.8	5.7	4.4	.8	89.2	52.3	29.6	7.3
1970:4	100.0	57.9	34.3	7.8	10.6	5.6	4.3	.7	89.4	52.3	30.0	7.1
1971:4	100.0	57.6	34.4	8.0	10.6	5.5	4.4	.7	89.4	52.1	30.0	7.3
1972:4	100.0	57.3	34.3	8.4	10.6	5.6	4.3	.7	89.4	51.8	29.9	7.7
Changes:												
1969–70	100.0	124.2	−381.8	357.6	263.6	33.3	83.3	147.0	−163.6	90.9	−465.1	210.6
1970–71	100.0	43.5	38.8	17.7	5.8	−1.0	7.0	−.2	94.2	44.5	31.8	17.9
1971–72	100.0	49.8	27.1	23.0	10.5	7.8	2.7	.0	89.5	42.1	24.4	23.0
1970–72	100.0	47.5	31.5	21.0	8.8	4.5	4.3	.0	91.2	43.0	27.2	21.0
UNEMPLOYMENT												
Level:												
1969:4	100.0	35.7	34.8	29.5	19.2	5.9	6.7	6.6	80.8	29.8	28.1	22.9
1970:4	100.0	41.7	32.1	26.2	17.6	6.4	5.9	5.3	82.4	35.3	26.2	20.9
1971:4	100.0	41.5	32.9	25.6	18.8	7.3	6.6	4.9	81.2	43.2	26.3	20.7
1972:4	100.0	38.6	33.7	27.7	20.8	6.3	7.9	6.6	79.2	32.4	25.7	21.1
Changes:												
1969–70	100.0	50.9	28.0	21.1	14.9	7.2	4.5	3.2	85.1	43.8	23.4	17.9
1970–71	100.0	38.1	51.3	10.6	49.7	29.6	23.6	−3.5	50.3	8.5	27.6	14.1
1971–72	100.0	69.2	24.8	6.0	−2.1	15.6	−6.8	−10.9	102.1	53.6	31.6	16.9
1970–72	100.0	92.2	5.2	2.6	−40.5	5.2	−29.4	−16.4	140.5	87.0	34.6	19.0

[1] Negro and other races, of which Negroes constitute about 92 percent.

Source: Table 3.

TABLE 5.—EMPLOYED PERSONS BY MAJOR OCCUPATION GROUP AND COLOR, 1960, 1970, 1972

[Numbers in thousands]

	Total employment, 1960					Total employment, 1970					Total employment, 1972				
	Total		Negro and other races			Total		Negro and other races			Total		Negro and other races		
	Number	Percentage distribution	Number	Percentage distribution	Percent by occupation	Number	Percentage distribution	Number	Percentage distribution	Percent by occupation	Number	Percentage distribution	Number	Percentage distribution	Percent by occupation
Total, employed	65,778	100.0	6,927	100.0	10.5	78,627	100.0	8,445	100.0	10.7	81.702	100.0	8,628	100.0	10.6
White collar workers	28,522	43.3	1,113	16.1	3.9	37,997	38.3	2,356	27.9	6.2	39.091	47.8	2,574	29.8	6.6
Professional and technical	7,469	11.4	331	4.7	4.4	11,140	14.2	766	9.1	6.9	11,459	14.0	821	9.5	7.2
Managers, officials and prop	7,067	10.7	178	2.6	2.5	8,289	10.5	297	3.5	3.6	8,031	9.8	320	3.7	4.0
Clerical workers	9,762	14.8	503	7.3	5.2	13,714	17.4	1,113	13.2	8.1	14,247	17.4	1,240	14.4	8.7
Sales workers	4,224	6.4	101	1.5	2.4	4,854	6.2	180	2.1	3.7	5,354	6.6	193	2.2	3.6
Blue collar workers	24,057	36.6	2,780	40.1	11.6	27,791	35.3	3,561	42.2	12.8	28,576	35.0	3,440	39.9	12.0
Craftsmen and foremen	8,554	13.0	415	6.0	4.8	10,158	12.9	692	8.2	6.8	10,810	13.2	749	8.7	6.9
Operatives	11,950	18.2	1,414	20.4	11.8	13,909	17.7	2,004	23.7	14.4	13,549	16.6	1,841	21.3	13.6
Nonfarm laborers	3,553	5.4	951	13.7	26.8	3,724	4.7	866	10.3	23.2	4,217	5.2	850	9.8	20.2
Service workers	8,023	12.2	2,196	31.7	27.4	9,712	12.4	2,199	26.0	22.6	10,966	13.4	2,350	27.2	21.4
Private household	1,973	3.0	982	14.2	49.8	1,558	2.0	652	7.7	41.8	1,437	1.7	584	6.8	40.6
Other service workers	6,050	9.2	1,214	17.5	20.1	8,154	10.4	1,546	18.3	19.0	9,529	11.7	1,766	20.5	18.5
Farm workers	5,176	7.9	841	12.1	16.2	3,126	4.0	328	3.9	10.5	3,069	3.8	263	3.0	8.6
Farmers and farm managers	2,776	4.2	219	3.2	7.9	1,753	2.2	87	1.0	5.0	1,689	2.1	55	.6	3.3
Farm laborers and foremen	2,400	3.7	622	8.9	25.9	1,373	1.8	241	2.9	17.6	1,380	1.7	208	2.4	15.1

Source: Data for 1960 and 1970, U.S. Department of Labor, Manpower Report of the President, April, 1971, tables A-9 and A-10 pp. 171-173. Data for 1972, Bureau of Labor Statistics, U.S. Department of Labor.

TABLE 6.—INDUSTRY DISTRIBUTION OF EMPLOYMENT, BY RACE, 1968 AND 1972

[In thousands]

	1968			1972		
	Percentage distribution		Black employment by industry, percent	Percentage distribution		Black employment by industry, percent
	Total, percent	Black, percent		Total, percent	Black, percent	
Total number	75,920	8,169		81,702	8,628	
Total percent	100.0	100.0	10.8	100.0	100.0	10.6
Agriculture	5.0	5.4	11.6	4.2	3.6	8.9
Mining	.7	.2	3.0	.7	.3	4.5
Construction	5.3	4.9	10.0	5.7	5.0	9.2
Manufacturing	27.2	24.2	9.6	24.1	22.6	9.9
Durable	16.0	14.0	9.4	14.0	12.8	9.6
Lumber	.9	1.8	21.9	.8	1.5	19.4
Furniture	.6	.6	10.7	.6	.6	10.2
Stone, clay and glass	.8	.9	11.3	.8	.8	11.0
Primary metals	1.7	2.2	14.0	1.5	2.0	13.9
Fabricated metals	2.2	1.7	8.3	1.7	1.3	8.2
Machinery	2.9	1.2	4.4	2.5	1.3	5.6
Electrical machinery	2.6	1.8	7.7	2.3	1.7	7.7
Transportation equipment	3.1	3.0	10.4	2.4	2.6	11.6
Instruments	.7	.3	5.0	.6	.3	4.8
Miscellaneous	.6	.6	9.4	.8	.6	8.4
Nondurables	11.2	10.2	9.8	10.1	9.8	10.3
Food	2.4	2.7	12.2	2.1	2.2	11.2
Tobacco	.1	.3	26.3	.1	.3	33.8
Textiles	1.4	1.2	9.5	1.2	1.5	13.4
Apparel	1.7	2.1	12.8	1.7	2.1	12.9
Paper	1.0	.7	7.9	.8	.7	8.6
Nondurables—Continued						
Printing	1.5	0.9	6.2	1.5	0.7	5.0
Chemicals	1.5	1.2	8.1	1.3	1.1	8.8
Petroleum	.3	.2	7.4	.3	.3	11.1
Rubber	.7	.6	8.7	.7	.6	9.0
Leather	.5	.4	8.6	.4	.3	8.3
Transportation and public utilities	5.9	4.3	7.9	5.8	5.0	9.1
Trade	18.6	13.4	7.7	20.0	13.8	7.3
Wholesale	3.4	2.4	7.7	3.7	2.3	6.6
Retail	15.2	10.9	7.7	16.3	11.5	7.4
Finance, insurance and real estate	4.7	2.4	5.5	5.2	3.2	6.6
Services	27.4	25.8	16.0	17.9	23.9	14.1
Private household	2.6	10.2	42.8	2.1	7.5	38.4
Miscellaneous	14.8	15.6	11.4	15.8	16.4	11.0
Government	15.3	19.3	13.6	16.4	22.6	14.6
Federal	3.0	4.3	15.3	2.7	4.4	17.1
Postal	1.0	1.7	18.6	.9	1.7	20.1
Other Federal	2.0	2.6	13.6	1.8	2.7	15.6
State	.8	.6	7.7	.8	.6	7.8
Local	1.8	1.8	10.9	1.8	1.9	10.9
Other government (not specified)	9.6	12.6	14.1	11.0	15.7	15.1

Source: Derived from unpublished household data from the Current Population Survey provided by the Bureau of Labor Statistics. Totals may not add due to rounding.

TABLE 7.—AVERAGE WEEKLY EARNINGS AND BLACK'S SHARE OF INDUSTRY EMPLOYMENT, 1968 AND 1972

Industry	1968				1972			
	Average weekly earnings		Black's share of employment		Average weekly earnings		Black's share of employment	
	Amount	Index	Percent	Index	Amount	Index	Percent	Index
Total, private	107.73	100.0	10.8	100.0	135.78	100.0	10.6	100.0
Mining	142.71	132.5	3.0	27.8	186.15	137.1	4.5	42.5
Construction	164.93	153.1	10.0	92.6	223.25	164.4	9.2	86.8
Manufacturing	122.51	113.7	9.6	88.9	154.28	113.6	9.9	93.4
Durable goods	132.07	122.6	9.4	87.0	167.27	123.2	9.6	90.6
Lumber and wood	104.34	96.9	21.9	202.8	135.38	99.7	19.4	183.0
Furniture and fixtures	100.28	93.1	10.7	99.1	123.62	91.0	10.2	96.2
Stone, clay, and glass	124.98	116.0	11.3	104.6	163.83	120.7	11.0	103.8
Primary metals	147.68	137.1	14.0	129.6	194.32	143.1	13.9	131.1
Fabricated metals	131.77	122.3	8.3	76.9	163.98	120.8	8.2	77.4
Machinery except electrical	141.46	131.3	4.4	40.7	179.34	132.1	5.6	52.8
Electrical equipment	118.08	109.6	7.7	71.3	148.64	109.5	7.7	72.6
Transportation equipment	155.72	144.6	10.4	96.3	198.19	146.0	11.6	109.4
Instruments	120.69	112.0	5.0	46.3	150.26	110.7	4.8	45.3
Miscellaneous	98.50	91.4	9.4	87.0	122.53	90.2	8.4	79.0

Footnotes at end of table.

TABLE 7.—AVERAGE WEEKLY EARNINGS AND BLACK'S SHARE OF INDUSTRY EMPLOYMENT, 1968 AND 1972—Continued

Industry	1968				1972			
	Average weekly earnings		Black's share of employment		Average weekly earnings		Black's share of employment	
	Amount	Index	Percent	Index	Amount	Index	Percent	Index
Nondurable goods	109.05	01.2	9.8	90.7	137.76	101.5	10.3	97.2
Food	114.24	106.0	12.2	113.0	145.44	107.1	11.2	105.7
Tobacco	93.99	87.3	26.3	243.5	118.34	87.2	33.8	318.9
Textile mill	91.05	84.5	9.5	88.0	112.75	83.0	13.4	126.4
Apparel	79.78	74.1	12.8	118.5	93.96	69.2	12.9	121.7
Paper	130.85	121.5	7.9	73.2	168.20	123.9	8.6	81.1
Printing	133.28	123.7	6.2	57.4	169.79	125.1	5.0	47.2
Chemicals	136.27	126.5	8.1	75.0	175.56	129.3	8.8	83.0
Petroleum	159.38	147.9	7.4	68.5	209.39	154.2	11.1	104.7
Rubber	121.18	112.5	8.7	80.6	147.96	109.0	9.0	84.9
Leather	85.41	79.3	8.6	79.6	103.79	76.4	8.3	78.3
Transportation and public utilities	138.85	128.9	7.9	73.2	187.46	138.1	9.1	85.9
Trade	86.40	80.2	7.7	71.3	106.00	78.1	7.3	68.9
Wholesale	122.31	113.5	7.7	71.3	154.42	113.7	6.6	62.3
Retail	74.95	69.6	7.7	71.3	90.72	66.8	7.4	69.8
Finance, insurance, and real estate	101.75	94.5	5.5	50.9	128.34	94.5	6.6	62.3
Services	84.32	78.3	16.0	148.2	108.44	79.9	14.1	133.0

Source: "Average Weekly Earnings," U.S. Department of Labor, Bureau of Labor Statistics; "Employment and Earnings," January 1973. "Black's Share of Employment," unpublished data from U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 8.—EXPENDITURE, ENROLLMENT AND BLACK PARTICIPATION IN SELECTED MANPOWER PROGRAMS FOR FISCAL YEARS 1965–73

Program	1965	1966	1967	1968	1969	1970	1971	[1] 1972	[2] 1973
Manpower Development and Training Act (MDTA):									
Institutional:									
Expenditures (dollar millions)	180	249	221	250	248	260	338	406	341
Enrollment (thousands)	145	177	150	140	135	130	156	151	----
Black enrollment (percent)	30	35	38	45	40	36	29	33	----
On Job Training:									
Expenditures (dollar millions)	33	27	53	69	65	50	54	68	76
Enrollment (thousands)	12	58	15	101	85	91	99	82	----
Black enrollment (percent)	21	22	24	33	35	30	26	24	----
Job Opportunities Business Sector (JOBS):									
Expenditures (dollars millions)					42	136	177	127	92
Enrollment (thousands)					51	87	93	83	----
Black enrollment (percent)					78	72	56	26	----
Neighborhood Youth Corps:									
Expenditures (dollar millions)	125	241	247	231	288	292	364	501	407
Enrollment (thousands)	138	423	556	467	504	482	740	1,071	----
Black enrollment (percent)	45	45	49	46	47	44	54	56	----
Job Corps:									
Expenditures (dollar millions)	37	229	321	299	235	144	174	188	177
Enrollment (thousands)	NA	NA	NA	65	53	43	50	49	----
Black enrollment (percent)	NA	NA	NA	59	58	61	60	61	----
Operation Mainstream:									
Expenditures (dollar millions)		10	9	31	37	42	69	75	82
Enrollment (thousands)		NA	11	13	11	12	22	38	----
Black enrollment (percent)		NA	NA	25	21	25	24	20	----
Concentrated Employment Program (CEP):									
Expenditures (dollar millions)				68	141	164	158	158	128
Enrollment (thousands)				53	127	110	94	85	----
Black enrollment (percent)				81	65	67	60	58	----
Work Incentive Program (WIN):									
Expenditures (dollar millions)					26	82	94	131	316
Enrollment (thousands)					81	93	112	120	----
Black enrollment (percent)					40	43	40	36	----
Public Employment Program (PEP):									
Expenditures (dollar millions)								559	1,088
Enrollment (thousands)								226	97
Black enrollment (percent)								21	22

[1] Preliminary.
[2] Estimate.
NA—Not available.

Sources: Enrollment data is from Manpower Report of the President (1968, 1969, 1970, 1971, 1972), U.S. Department of Labor, Manpower Administration. Expenditure data and 1973 estimates are from the Executive Office of the President, Office of Management and Budget.

TABLE 9.—PERSONAL INCOME IN THE UNITED STATES, BY RACE, 1960–72

Income	1960	1969	1970	1971	1972 [1]
Total money income (billions)	$319.5	$604.9	$646.9	$695.2	$755.2
Black	$19.7	$38.7	$42.2	$46.0	$50.6
White	$299.8	$560.8	$598.6	$642.0	$694.8
Other races		$5.4	$6.1	$7.2	$9.8
Black as percent of total	6.2	6.4	6.5	6.6	6.7

Income	1960	1969	1970	1971	1972 [1]
Median family income:					
Black	$3,233	$5,998	$6,279	$6,440	[1] NA
White	$5,835	$9,793	$10,236	$10,672	NA
Income gap	$2,602	$3,795	$3,957	$4,232	NA
Ratio of black to white	.55	.61	.61	.60	----

[1] Estimate.
NA—Not available.

Source: U.S Department of Commerce, Bureau of the Census. Figures for 1972 were estimated on the basis of personal income statistics published by the U.S. Department of Commerce, Bureau of Economic Analysis.

TABLE 10.—SOURCES OF INCOME, 1971

[Millions of dollars]

	Amount				Percentage distribution			
	[1] Total	White	Black	Other races	Total	White	Black	Other races
Total	695,207	642,020	46,022	7,121	100.0	100.0	100.0	100.0
Earnings:								
Total	597,765	552,575	38,798	6,371	86.0	86.1	84.3	89.5
Wage and salaries	539,754	496,835	37,426	5,475	77.7	77.4	81.3	76.9
Nonfarm self employment	49,632	47,489	1,315	827	7.1	7.4	2.9	11.6
Farm self employment	8,379	8,251	57	69	1.2	1.3	0.1	1.0
Income other than earnings:								
Total	97,442	89,445	7,224	750	14.0	13.9	15.7	10.5
Social Security and R.R. retirement	31,280	28,863	2,213	202	4.5	4.5	4.8	2.8
Dividends, interest, etc	29,726	29,101	440	197	4.3	4.6	0.9	2.7
Public assistance and welfare	7,077	4,151	2,842	83	1.0	0.6	6.2	1.2
Unemployment and workmen's compensation	16,910	15,696	1,091	126	2.4	2.4	2.4	1.8
Private pensions, etc	12,436	11,656	638	141	1.8	1.8	1.4	2.0

[1] Data may not add to totals due to rounding.

Source: U.S. Department of Commerce, Bureau of the Census, "Money Income in 1971 of Families and Persons in the United States," (series P-60, No. 85), December, 1972, table 42. pp. 96–98

APPENDIX TABLE I.—CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT, BY COLOR, SEX, AND AGE, 1960–72

[Thousands]

Year	Total				Black [1]				White			
	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19
LABOR FORCE PARTICIPATION RATES [2]												
1960	60.2	86.6	37.6	49.5	64.5	86.2	49.3	45.0	58.8	86.0	36.2	47.9
1961	60.2	86.3	38.0	49.1	64.1	85.5	50.1	45.0	58.8	85.7	36.6	4.4
1969	61.1	83.7	42.7	50.9	62.1	81.4	51.9	41.9	59.9	83.0	41.5	50.6
1970	61.3	83.4	43.3	51.3	61.8	81.4	51.7	40.5	60.2	82.8	42.2	51.4
1971	61.0	82.8	43.4	50.8	60.9	79.9	51.8	37.5	60.1	82.3	42.3	51.6
1972	61.0	82.2	43.7	53.0	60.0	78.4	51.1	39.0	60.4	82.0	42.7	54.3
CIVILIAN LABOR FORCE												
1960	69,631	43,603	21,185	4,841	7,716	4,293	2,855	568	61,915	39,310	18,330	4,275
1961	70,460	43,860	21,665	4,935	7,804	4,313	2,918	573	62,656	39,547	18,747	4,362
1969	80,733	46,351	27,412	6,970	8,955	4,579	3,574	802	71,778	41,772	23,838	6,168
1970	82,715	47,190	28,180	7,246	9,198	4,726	3,664	808	73,520	42,464	24,616	6,440
1971	84,113	47,861	28,799	7,453	9,323	4,773	3,769	781	74,790	43,088	25,030	6,672
1972	86,542	48,807	29,710	8,024	9,585	4,846	3,889	850	76,958	43,961	25,822	7,175
EMPLOYMENT												
1960	65,777	41,543	20,105	4,129	6,928	3,880	2,618	430	58,850	37,663	17,487	3,700
1961	65,746	41,342	20,297	4,107	6,833	3,809	2,610	414	58,913	37,533	17,687	3,693
1969	77,902	45,388	26,397	6,117	8,384	4,410	3,365	609	69,518	40,978	23,032	5,508
1970	78,627	45,554	26,933	6,142	8,446	4,461	3,412	573	70,183	41,093	23,521	5,569
1971	79,119	45,775	27,149	6,195	8,403	4,428	3,442	533	70,716	41,347	23,707	5,662
1972	81,702	46,881	28,099	6,729	8,628	4,517	3,546	565	73,073	42,364	24,554	6,157
UNEMPLOYMENT												
1960	3,853	2,060	1,080	713	788	413	237	138	3,065	1,647	843	575
1961	4,714	2,518	1,368	828	971	504	308	159	3,743	2,014	1,060	669
1969	2,831	963	1,015	853	571	169	209	193	2,260	794	806	660
1970	4,089	1,636	1,347	1,106	752	265	252	235	3,337	1,371	1,095	871
1971	4,993	2,085	1,650	1,258	919	345	327	248	4,074	1,740	1,324	1,010
1972	4,840	1,928	1,610	1,302	956	329	343	284	3,885	1,599	1,268	1,018

[1] Negro and other races, of which Negroes constitute about 92 percent.
[2] Total labor force as percent of noninstitutional population.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

APPENDIX TABLE II.—CIVILIAN LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT BY COLOR, SEX, AND AGE, 1960–72

[Percentage distribution]

Period	Total				Black [1]				White			
	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19	Total	Male 20 and over	Female 20 and over	Both sexes 16 to 19
1960	100.0	62.6	30.4	7.0	11.1	6.2	4.1	0.8	88.9	56.5	26.3	6.1
1961	100.0	62.2	30.7	7.0	11.1	6.2	4.1	.8	88.9	56.1	26.6	6.2
1969	100.0	57.4	34.0	8.6	11.1	5.7	4.4	1.0	88.9	51.7	29.5	7.6
1970	100.0	57.0	34.2	8.8	11.1	5.7	4.4	1.0	88.9	51.3	29.8	7.8
1971	100.0	56.9	34.2	8.9	11.1	5.7	4.5	.9	88.9	51.2	29.8	7.9
1972	100.0	56.4	34.3	9.3	11.1	5.6	4.5	1.0	88.9	50.8	29.8	8.3
EMPLOYMENT												
1960	100.0	63.1	30.6	6.3	10.6	5.9	4.0	.7	89.4	57.2	26.6	5.6
1961	100.0	62.9	30.9	6.2	10.4	5.8	4.0	.6	89.6	57.1	26.9	5.6
1969	100.0	58.3	33.9	7.8	10.8	5.7	4.3	.8	89.2	52.6	29.6	7.0
1970	100.0	57.9	34.3	7.8	10.7	5.7	4.3	.7	89.3	52.2	30.0	7.1
1971	100.0	57.9	34.3	7.8	10.6	5.6	4.3	.7	89.4	52.3	30.0	7.1
1972	100.0	57.4	34.4	8.2	10.6	5.6	4.3	.7	89.4	51.8	30.1	7.5
UNEMPLOYMENT												
1960	100.0	53.5	28.0	18.5	20.4	10.6	6.2	3.6	79.6	42.8	21.9	14.9
1961	100.0	53.4	29.0	17.6	20.6	10.7	6.5	3.4	79.4	42.7	22.5	14.2
1969	100.0	34.0	35.9	30.1	20.2	6.0	7.4	6.8	79.8	28.1	28.4	23.3
1970	100.0	40.0	32.9	27.1	18.4	6.5	6.2	5.7	81.6	33.5	26.8	21.3
1971	100.0	41.8	33.0	25.2	18.4	6.9	6.5	5.0	81.6	34.9	26.5	20.2
1972	100.0	39.6	33.2	27.2	19.8	6.8	7.1	5.9	80.2	32.8	26.2	21.2

[1] Negro and other races, of which Negroes constitute about 92 percent.

Source: Calculated from appendix table I.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ADDABBO (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. BRASCO (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. CAREY of New York (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. CHARLES H. WILSON of California (at the request of Mr. O'NEILL), on account of official business (Board of Visitors to the U.S. Air Force Academy).

Mr. YOUNG of Alaska (at the request of Mr. GERALD R. FORD), for today, on account of illness.

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. GROSS for 30 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today, to revise and extend his remarks and include extraneous material.

Mr. RANDALL, for 10 minutes, today.

(The following Members (at the request of Mr. MALLARY) to revise and extend their remarks and include extraneous material:)

Mr. CONABLE for 5 minutes, today.

Mr. CLEVELAND, for 5 minutes, today,

Mr. STEIGER of Wisconsin, for 10 minutes, today.

Mr. HOGAN, for 10 minutes, today.

Mr. FRELINGHUYSEN, for 10 minutes, today.

Mr. EDWARDS of Alabama, for 10 minutes, today.

Mr. HEINZ, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of Oklahoma), to revise and extend their remarks, and to include extraneous matter:)

Mr. MCFALL, for 5 minutes, today.

Mr. CULVER, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MATSUNAGA, for 30 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. DANIELSON, for 5 minutes, today.

Ms. ABZUG, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH in two instances and to include extraneous matter.

Mr. KOCH and to include extraneous matter, notwithstanding the fact that it exceeds 2¾ pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $467.50.

Mr. STOKES and to include extraneous matter notwithstanding the fact that it exceeds 9¼ pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,572.50.

Mr. GROSS and to include extraneous matter.

Mr. POAGE and to include extraneous matter in his remarks made today.

Mr. BINGHAM and to include extraneous matter notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $425.

Mr. SAYLOR and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $935.

(The following Members (at the request of Mr. MALLARY) and to include extraneous matter:)

Mr. KEATING.

Mr. ESCH.

Mr. TOWELL of Nevada.

Mr. BAFALIS in five instances.

Mr. RONCALLO of New York in two instances.

Mr. DERWINSKI in three instances.

Mr. RAILSBACK.

Mr. MOORHEAD of California.

Mr. YOUNG of Illinois.

Mr. GILMAN.

Mr. MARTIN of North Carolina.

Mr. QUIE.

Mr. MADIGAN.

Mr. HOGAN in two instances.

Mr. ANDERSON of Illinois in three instances.

Mr. ERLENBORN in two instances.

Mr. BUTLER.

Mr. FRELINGHUYSEN.

Mr. SHOUP.

Mr. HEINZ in two instances.

Mr. BROTZMAN.

Mr. GUYER in two instances.

Mr. MCCLORY.

Mr. VEYSEY.

Mr. COUGHLIN.

Mr. ABDNOR.

Mr. THOMSON of Wisconsin.

Mr. MCKINNEY.

Mr. BROWN of Michigan.

Mr. SKUBITZ in five instances.

(The following Members (at the request of Mr. JONES of Oklahoma), and to include extraneous matter:)

Mr. ANDERSON of California, in three instances.

Mr. CARNEY of Ohio, in four instances.

Mr. SEIBERLING in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. RODINO.

Mr. MATHIS of Georgia in two instances.

Mr. ROSENTHAL.

Mr. KOCH.

Mr. TIERNAN.

Mr. DANIELSON.

Mr. SYMINGTON.

Mr. PODELL.

Mr. VAN DEERLIN.

Mr. RIEGLE in two instances.

Mr. STUDDS.

Mr. BYRON in 10 instances.

Mr. DIGGS in five instances.

Mr. WILLIAM D. FORD in two instances.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which are thereupon signed by the Speaker:

H.J. Res. 210. Joint resolution asking the President of the United States to declare the fourth Saturday of September, 1973, "National Hunting and Fishing Day".

H.J. Res. 275. Joint resolution to authorize the President to issue a proclamation designating the month of May, 1973, as "National Arthritis Month"; and

H.J. Res. 437. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week."

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 73. Joint resolution to authorize the President to proclaim April 16, 1973, as "Jim Thorpe Day."

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 51. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 6, 1973, as "National Historic Preservation Week;" to the committee on the Judiciary.

ADJOURNMENT

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p.m.), under its previous order, the House adjourned until Monday, April 16, 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:

754. A letter from the Deputy Assistant Secretary of the Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

755. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Welfare and Pension Plans Disclosure Act; to the Committee on Education and Labor.

756. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to further amend the U.S. Information and Educational Exchange Act of 1948; to the Committee on Foreign Affairs.

757. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the Commonwealth of Pennsylvania for a research project entitled "Pilot /Demonstration Subsidence Control Project in Abandoned Mine Workings in the Minooka Area of Scranton, Pa." pursuant to sections (a) and (d) of Public Law 89-672; to the Committee on Interior and Insular Affairs.

758. A letter from the Attorney General, transmitting a draft of proposed legislation to promote the foreign policy of the United States by prohibiting travel in a restricted area; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STRATTON: Committee on Armed Services. H.R. 4682. A bill to provide for the immediate disposal of certain abaca and sisal cordage fiber now held in the national stockpile (Rept. No. 93–130). Referred to the Committee of the Whole House on the State of the Union.

Mr. DORN: Committee on Veterans' Administration. H.R. 2828. A bill to amend title 38 of the United States Code in order to establish a national cemetery system within the Veterans' Administration, and for other purposes, with amendment (Rept. No. 93–131). Referred to the Committee of the Whole House on the State of the Union.

Mr. DORN: Committee on Veterans' Administration. H.R. 6574. A bill to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve, and for other purposes (Rept. No. 93–132). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee on Armed Services. S. 1494. A bill to amend section 236 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees to limit the number of employees that may be retired under such act during specified periods (Rept. No. 93–134). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 356. Resolution providing for the consideration of S. 502. An act to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes (Rept. No. 93–133). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 357. A resolution providing for the consideration of H.R. 6168. A bill to amend and extend the Economic Stabilization Act of 1970 (Rept. No. 93–135). Referred to the House Calendar.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5383. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes; with amendment (Rept. No. 93–136). Referred to the Committee of the Whole House on the the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5451. A bill to amend the Oil Pollution Act, 1961 (75 Stat. 402), as amended, to implement the 1969 and the 1971 amendments to the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended; and for other purposes; with amendment (Rept. No. 93–137). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5452. A bill to extend and make technical corrections to the National Sea Grant College and Program Act of 1966, as amended; with amendment (Rept. No. 93–138). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5932. A bill to authorize further appropriations for the Office of Environmental Quality, and for other purposes; with amendment (Rept. No. 93–139). 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. STEPHENS:

H.R. 6879. A bill to amend and extend the Economic Stabilization Act of 1970; to the Committee on Banking and Currency.

By Mr. ADAMS (for himself, Mr. PICKLE, Mr. GILMAN, Mr. HELSTOSKI, and Mr. RANGEL):

H.R. 6880. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ADAMS (for himself, Mr. FOLEY, Mrs. HANSEN of Washington, Mr. HICKS, Mr. MCCORMACK, Mr. MEEDS, and Mr. PRITCHARD):

H.R. 6881. A bill to provide for the continued operation of the Public Health Service Hospital which is located in Seattle, Wash., to the Committee on Interstate and Foreign Commerce.

By Mr. BINGHAM (by request):

H.R. 6882. A bill to authorize ex gratia payment of compensation for work performed by certain prisoners of the German Government during World War II who were wartime members of the Royal Army of Yugoslavia and who became U.S. citizens; to the Committee on the Judiciary.

By Mr. BOWEN (for himself, Mr. WHITTEN, Mr. MONTGOMERY, Mr. COCHRANE, Mr. LOTT, Mr. BAKER, Mr. BREAUX, Mr. FULTON, Mr. GETTYS, Mr. GINN, Mr. JONES of North Carolina, Mr. LONG of Louisiana, Mr. PASSMAN, Mr. ROSE, Mr. THORNTON, and Mr. WAMPLER):

H.R. 6883. A bill to amend the Agricultural Adjustment Act of 1938 with respect to rice and peanuts; to the Committee on Agriculture.

By Mr. BRINKLEY:

H.R. 6884. A bill to amend title 10, United States Code, so as to provide that the Chief of the Medical Service Corps and the Chief of the Biomedical Sciences Corps of the Air Force shall be a Brigadier General and for other purposes; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.R. 6885. A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy; to the Committee on the Judiciary.

By Mr. BROTZMAN:

H.R. 6886. A bill to extend through fiscal year 1974 the expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6887. A bill to amend the Tariff Schedules of the United States in order to suspend until the close of December 31, 1975, the duties on certain insecticides; to the Committee on Ways and Means.

By Mr. BROWN of Michigan:

H.R. 6888. A bill to prohibit the President from impounding any funds, or approving the impounding of funds, the total appropriation of which does not exceed the President's budget for the appropriate functional area by more than 5 percent, without the consent of the Congress, and to provide a procedure under which the House of Representatives and the Senate may approve the President's proposad impoundment; to the Committee on Rules.

By Mr. BROYHILL of Virginia:

H.R. 6889. A bill to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and to provide the President with additional negotiating authority therefor, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 6890. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 6891. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works.

By Mr. CLARK:

H.R. 6892. 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. COLLIER:

H.R. 6893. A bill to authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the direction of the Secretary of the Army, to increase the diversion of water from Lake Michigan into the Illinois Waterway in order to control and eliminate water erosion on the shoreline of Lake Michigan and to improve the quality of the water in the Illinois Waterway; to the Committee on Public Works.

By Mr. COUGHLIN:

H.R. 6894. A bill to establish a national policy encouraging States to develop and implement land use programs; to the Committee on Interior and Insular Affairs.

By Mr. DANIELSON:

H.R. 6895. A bill to amend the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, with respect to the settlement of claims against the United States by civilian officers and employees for damage to, or loss of, personal property incident to their service; to the Committee on the Judiciary.

H.R. 6896. A bill to amend the Internal Revenue Code of 1954 to provide that the designation of payments to the Presidential Election Campaign Fund be made on the front page of the taxpayer's income tax return form, and for other purposes; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 6897. A bill providing for the establishment of a wild area system; to the Committee on Agriculture.

H.R. 6898. A bill to amend the National Trails System Act to authorize a feasibility study relating to the Bartram Trail in Alabama; to the Committee on Interior and Insular Affairs.

H.R. 6899. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works.

By Mr. ERLENBORN (for himself, Mr. DENT, and Mr. QUIE):

H.R. 6900. A bill to amend the Welfare and Pension Plans Disclosure Act; to the Committee on Education and Labor.

By Mr. ERLENBORN:

H.R. 6901. A bill to improve the enforcement of the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. ESCH (for himself, Mr. ROBISON of New York, Mr. BROYHILL of North Carolina, Mr. ANDERSON of Illinois, Mr. ERLENBORN, Mr. FRELINGHUYSEN, Mr. GUYER, Mr. RONCALLO

of New York, and Mr. STEIGER of Wisconsin):

H.R. 6902. A bill to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes; to the Committee on Education and Labor.

By Mr. FLOOD (for himself, Mr. ADDABBO, Mr. ALEXANDER, Mr. BAKER, Mr. BENITEZ, Mr. BOLAND, Mr. BRADEMAS, Mr. BRASCO, Mr. BROWN of California, Mr. BURKE of Florida, Mr. CARNEY of Ohio, Mr. COTTER, Mr. COUGHLIN, Mr. DAVIS of Georgia, Mr. DAVIS of South Carolina, Mr. DE LUGO, Mr. DENT, Mr. DONOHUE, Mr. EILBERG, Mr. GAYDOS, Mr. HALEY, Mr. HANLEY, Mr. HASTINGS, Mr. HECHLER of West Virginia, and Mr. HELSTOSKI):

H.R. 6903. A bill to establish a national program of Federal insurance against catastrophic disasters; to the Committee on Banking and Currency.

By Mr. FLOOD (for himself, Mr. HOWARD, Ms. JORDAN, Mr. LEGGETT, Mr. MCDADE, Mr. MCKINNEY, Mr. MINISH, Mrs. MINK, Mr. NIX, Mr. PICKLE, Mr. PODELL, Mr. PRICE of Illinois, Mr. REES, Mr. ROONEY of Pennsylvania, Mr. ROSENTHAL, Mr. SANDMAN, Mr. SARBANES, Mr. SIMES, Mr. STOKES, Mr. TIERNAN, Mr. UDALL, Mr. WARE, Mr. WILLIAMS, Mr. BOB WILSON, and Mr. CHARLES H. WILSON of California):

H.R. 6904. A bill to establish a national program of Federal insurance against catastrophic disasters; to the Committee on Banking and Currency.

By Mr. FLOOD (for himself, Mr. WON PAT, Mr. YATRON, Mr. WALDIE, and Mrs. HECKLER of Massachusetts):

H.R. 6905. A bill to establish a national program of Federal insurance against catastrophic disasters; to the Committee on Banking and Currency.

By Mr. FRELINGHUYSEN (for himself, Mr. HELSTOSKI, Mr. RODINO, Mr. WIDNALL, Mr. THOMPSON of New Jersey, Mr. DOMINICK V. DANIELS, Mr. MINISH, Mr. PATTEN, Mr. HOWARD, Mr. HUNT, Mr. SANDMAN, Mr. ROE, Mr. FORSYTHE, Mr. MARAZITI, and Mr. RINALDO):

H.R. 6906. A bill to provide benefits on account of persons suffering disability or death from asbestotis or mesothelioma contracted in the course of their employment; to the Committee on Education and Labor.

By Mr. FUQUA:

H.R. 6907. A bill to amend title 10, United States Code, to authorize additional general officer rank for officers of the Regular Army Medical Service Corps, and to reorganize the Army Medical Service Corps; to the Committee on Armed Services.

H.R. 6908. A bill to protect hobbyists against the reproduction or manufacture of imitation hobby items and to provide additional protections for American hobbyists; to the Committee on Interstate and Foreign Commerce.

By Mr. GETTYS:

H.R. 6909. 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. 6910. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal or broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBBONS (for himself, Mr. HALEY, Mr. YOUNG of Florida, Mr. BENNETT, Mr. BAFALIS, Mr. BURKE of Florida, Mr. CHAPPELL, Mr. FASCELL, Mr. FUQUA, Mr. GUNTER, Mr. LEHMAN, Mr. PEPPER, Mr. ROGERS of Florida, and Mr. FREY):

H.R. 6911. A bill to authorize the Secretary of the Interior to preserve Egmont Key, Fla.; to the Committee on Interior and Insular Affairs.

By Mr. GONZALEZ (by request) (for himself, Mr. REUSS, Mr. REES, Mr. HANNA, Mr. YOUNG of Georgia, Mr. STARK, Mr. FAUNTROY, Mr. J. WILLIAM STANTON, Mr. CRANE, Mr. FRENZEL, Mr. CONLAN, and Mr. BURGENER):

H.R. 6912. A bill to amend the Par Value Modification Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. GRASSO:

H.R. 6913. A bill to amend the Internal Revenue Code of 1954 to relieve employers of 50 or less employees from the requirement of paying or depositing certain employment taxes more often than once each quarter; to the Committee on Ways and Means.

By Mr. HARVEY:

H.R. 6914. A bill to amend the National Flood Insurance Act of 1968 to extend coverage under the flood insurance program to include losses from surface or floating ice; to the Committee on Banking and Currency.

By Mr. HELSTOSKI:

H.R. 6915. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. HENDERSON (for himself and Mr. PICKLE):

H.R. 6916. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. HILLIS:

H.R. 6917. A bill to amend the Internal Revenue Code of 1954 to permit an exemption, in an amount not exceeding the maximum social security benefit payable in the taxable year involved, for retirement income received by a taxpayer under a public retirement system or under any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 6918. A bill to amend title VI of the Civil Rights Act of 1964 to prohibit sex discrimination in programs and activities receiving Federal financial assistance; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 6919. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 6920. A bill to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6921. A bill to amend the Controlled Substances Act to require life imprisonment for certain persons convicted of illegally dealing in dangerous narcotic drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 6922. A bill to amend the Internal Revenue Code of 1954, to provide that the designation of payments to the Presidential Election Campaign Fund be made on the front page of the taxpayer's income tax return form, and for other purposes; to the Committee on Ways and Means.

By Mr. KOCH (for himself and Mr. ASPIN):

H.R. 6923. A bill to prohibit the military departments from placing on discharge certificates any codes or other indicators which disclose any reason why members of the Armed Forces are discharged or separated from service, and for other purposes; to the Committee on Armed Services.

By Mr. LANDGREBE (for himself, Mr. BAFALIS, Mr. BAKER, Mr. BLACKBURN, Mr. BROYHILL of Virginia, Mr. COLLIER, Mr. DUNCAN, Mr. GUYER, Mr. HENDERSON, Mr. HOSMER, Mr. MICHEL, Mr. QUILLEN, Mr. ROBINSON of Virginia, Mr. SATTERFIELD, Mr. SIKES, Mr. STEIGER of Arizona, Mr. STEPHENS, Mr. WAGGONNER, Mr. WHITEHURST, and Mr. YOUNG of Florida):

H.R. 6924. A bill to provide for the continuation of programs authorized under the Vocational Rehabilitation Act, and for other purposes; to the Committee on Education and Labor.

By Mr. LUJAN:

H.R. 6925. A bill to authorize the exchange of certain lands between the Pueblo of Acoma and the Forest Service; to the Committee on Interior and Insular Affairs.

H.R. 6926. A bill to amend title 5, United States Code, to allow credit under the civil service retirement program for military service performed by a citizen of the United States in the armed forces of any nation allied or associated with the United States during a period of war; to the Committee on Post Office and Civil Service.

By Mr. MATHIS of Georgia:

H.R. 6927. A bill to amend Title III of the Agricultural Adjustment Act of 1938, with respect to certain tobacco payments; to the Committee on Agriculture.

By Mr. MAZZOLI:

H.R. 6928. A bill to amend the Internal Revenue Code of 1954 to provide for income averaging in the event of downward fluctuations in income; to the Committee on Ways and Means.

H.R. 6929. A bill to amend the Internal Revenue Code of 1954 to provide that certain homeowner mortgage interest paid by the Secretary of Housing and Urban Development on behalf of a low-income mortgagor shall not be deductible by such a mortgagor; to the Committee on Ways and Means.

By Mrs. MINK:

H.R. 6930. A bill to amend the International Education Act of 1966 to provide for the establishment under that act of an Asian Studies Institute; to the Committee on Education and Labor.

By Mr. MOAKLEY:

H.R. 6931. A bill to provide for effective control of lobster fisheries on the Continental Shelf of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. MOLLOHAN:

H.R. 6932. A bill to amend chapter 17 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from drug dependence or drug abuse disabilities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 6933. A bill to amend title 38 of the United States Code in order to establish a National Cemetery System within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 6934. A bill to amend title 38, United States Code, to increase the amount of veterans' benefits for burial and funeral expense allowances from the present $250 to $750; to the Committee on Veterans' Affairs.

H.R. 6935. A bill to amend title 38, United States Code, to authorize a treatment and rehabilitation program in the Veteran's Administration for servicemen, veterans, and

ex-servicemen suffering from drug abuse or drug dependency; to the Committee on Veterans' Affairs.

H.R. 6936. 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. 6937. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

H.R. 6938. A bill to increase the availability of guaranteed home loan financing for veterans and to increase the income of the national service life insurance fund; to the Committee on Veterans' Affairs.

H.R. 6939. A bill to amend title 38, of the United States Code, in order to credit physicians and dentists with 20 or more years of service in the Veterans' Administration with certain service for retirement purposes; to the Committee on Veterans' Affairs.

H.R. 6940. A bill to amend title 38 of the United States Code to provide that pensioners may be furnished necessary medical services in Veterans' Administration facilities; to the Committee on Veterans' Affairs.

H.R. 6941. A bill to amend chapter 73 of title 38, United States Code, to make a career in the Department of Medicine and Surgery more attractive; to the Committee on Veterans' Affairs.

H.R. 6942. A bill to amend title 38 of the United States Code to provide for a pension of $100 per month for unremarried widows of men awarded a Medal of Honor posthumously; to the Committee on Veterans' Affairs.

H.R. 6943. A bill to provide for annual adjustments in monthly monetary benefits administered by the Veterans' Administration, according to changes in the Consumer Price Index; to the Committee on Veterans' Affairs.

H.R. 6944. A bill to make available to veterans of the Vietnam War all benefits available to World War II and Korean conflict veterans; to the Committee on Veterans' Affairs.

H.R. 6945. A bill to amend title 38 of the United States Code to provide an annual clothing allowance to certain veterans who, because of a service-connected disability, wear a prosthetic appliance or appliances which tends to wear out or tear their clothing; to the Committee on Veterans' Affairs.

H.R. 6946. A bill to amend title 38 of the United States Code to provide mustering-out payments for military service after August 5, 1964; to the Committee on Veterans' Affairs.

H.R. 6947. A bill to provide that veterans be provided employment opportunities after discharge at certain minimum salary rates; to the Committee on Veterans' Affairs.

H.R. 6948. A bill to amend section 333 of title 38, United States Code, to provide that veterans who serve 2 or more years in peacetime shall be entitled to a presumption that chronic diseases becoming manifest within 1 year from the date of separation from service are service connected; to the Committee on Veterans' Affairs.

H.R. 6949. A bill to amend subsection (d) (1) of section 3203, title 38, United States Code, to provide that where any veteran having neither wife nor child is being furnished hospital treatment, institutional, or domiciliary care by the Veterans' Administration, no pension in excess of $40 per month shall be paid to or for the veteran for any period after (a) the end of the second full calendar month of admission for treatment or care or (b) readmission for treatment or care within 6 months following termination of a period of treatment or care of not less than 2 full calendar months; to the Committee on Veterans' Affairs.

H.R. 6950. A bill to amend chapter 35 of title 38, United States Code, so as to provide educational assistance at secondary school level to eligible widows and wives, without charge to any period of entitlement the wife or widow may have pursuant to sections 1710 and 1711 of this chapter; to the Committee on Veterans' Affairs.

H.R. 6951. A bill to amend chapter 39 of title 38, United States Code, to provide the same eligibility criteria for Vietnam era veterans as is applicable to veterans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

H.R. 6952. A bill to provide equitable treatment of veterans enrolled in vocational education courses; to the Committee on Veterans' Affairs.

H.R. 6953. A bill to amend chapter 34 of title 38, United States Code, to provide additional educational benefits to veterans who have served in the Indochina theater of operations during the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 6954. A bill to amend title 38, United States Code, to improve the business loan program for veterans; to the Committee on Veterans' Affairs.

H.R. 6955. A bill to amend section 3101 of title 38, United States Code, to prevent consideration of proceeds of, or transfer of proceeds of, U.S. Government life insurance and national service life insurance for Federal estate tax purposes; to the Committee on Ways and Means.

By Mr. ROBISON of New York:

H.R. 6956. A bill to expand the national flood insurance program by substantially increasing limits of coverage and total amount of insurance authorized to be outstanding and by requiring known flood-prone communities to participate in the program, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROBISON of New York (for himself and Mr. HARRINGTON):

H.R. 6957. 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. ROSENTHAL:

H.R. 6958. A bill to amend title II of the Social Security Act to provide a 35-percent benefit increase with a $150 minimum, to improve the computation of benefits and eligibility therefor, to provide for payment of widow's and widower's benefits in full at age 50 without regard to disability, to raise the earnings base, to eliminate the actuarial reduction and lower the age of entitlement, to provide optional coverage for Federal employees, and to eliminate the retirement test; to amend title XVIII of such act to reduce to 60 the age of entitlement to Medicare benfits and liberalize coverage of the disabled without regard to age, to provide coverage for certain governmental employees, to include qualified prescription drugs and free annual physical examinations under the supplementary medical benefits program, and to eliminate monthly premiums under such program for those whose gross annual income is below $4,800; and for other purposes; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 6959. 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.

By Mr. SIKES:

H.R. 6960. A bill to provide additional penalties for the use of firearms in the commission of certain crimes of violence; to the Committee on the Judiciary.

By Mr. STEIGER of Wisconsin:

H.R. 6961. A bill to amend the Land and Water Conservation Fund Act of 1965 to create the Disabled Eagle Passport Program under which disabled persons are admitted free to certain admission fee areas in National Parks and National Recreation areas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STAGGERS (for himself, Mr. MOSS, Mr. ECKHARDT, Mr. DINGELL, Mr. REUSS, Mr. PRICE of Illinois, Mr. MATSUNAGA, Mr. CORMAN, Mr. UDALL, Mr. KARTH, Mr. BURTON, Mr. GIBBONS, Mr. REID, Ms. SCHROEDER, and Mr. STUDDS):

H.R. 6962. A bill to restore the independence of the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, and the Consumer Product Safety Commission; and to increase the independence of the Environmental Protection Agency in carrying out the Clean Air Act, the Solid Waste Disposal Act, and the Noise Control Act of 1972; to the Committee on Interstate and Foreign Commerce.

By Mr. STUBBLEFIELD:

H.R. 6963. A bill to provide cost-of-living adjustments in retirement pay of certain Federal judges; to the Committee on the Judiciary.

By Mrs. SULLIVAN (for herself, Mr. BREAUX, Mr. LOTT, and Mr. YOUNG of Alaska):

H.R. 6964. A bill to authorize the Secretary of the Interior to establish programs and regulations for the protection of the fishery resources of the United States, including the freshwater and marine fish cultural industries, against the dissemination of serious diseases of fish and shellfish; to the Committee on Merchant Marine and Fisheries.

By Mrs. SULLIVAN (for herself, Mr. BREAUX, and Mr. YOUNG of Alaska):

H.R. 6965. A bill to amend the Anadromous Fish Conservation Act in order to clarify the duties of the Secretary of the Interior thereunder and to extend the authorization for appropriations to carry out such act; to the Committee on Merchant Marine and Fisheries.

By Mr. TAYLOR of North Carolina (for himself and Mr. JOHNSON of California):

H.R. 6966. A bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TOWELL of Nevada:

H.R. 6967. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada; to the Committee on Veterans' Affairs.

H.R. 6968. A bill to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American who lost his life while serving overseas in the Armed Forces of the United States during the Vietnam conflict; to the Committee on Veterans' Affairs.

H.R. 6969. A bill to provide for the establishment of a national cemetery in the State of Nevada; to the Committee on Veterans' Affairs.

By Mr. WOLFF (for himself and Mr. ROE):

H.R. 6970. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who rent their principal residences; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 6971. A bill exempting State lotteries from certain Federal prohibitions; to the Committee on the Judiciary.

H.R. 6972. A bill to establish annual import quotas on certain textile and footwear articles; to the Committee on Ways and Means.

H.R. 6973. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. YATRON (for himself, Mr. WILLIAM D. FORD, Mr. PEPPER, Mr. PODELL, Mr. STEIGER of Wisconsin, Mr. DAVIS of Georgia, Mr. HELSTOSKI, Mr. FORSYTHE, Mr. HARRINGTON, Mr. RANGEL, Mr. EILBERG, Mr. RIEGLE, Mr. CLARK, Mr. KASTENMEIER, Mr. MELCHER, Mr. MOORHEAD of Pennsylvania and Mr. GINN):

H.R. 6974. A bill to amend title 32, United States Code, to provide that Army and Air Force National Guard technicians shall not be required to wear the military uniform while performing their duties in a civilian status; to the Committee on Armed Services.

By Mr. BAKER:

H.J. Res. 505. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.J. Res. 506. Joint resolution authorizing the President to proclaim the first day of January of each year as "Appreciate America Day"; to the Committee on the Judiciary.

By Mr. DINGELL (for himself and Mr. HAWKINS):

H.J. Res. 507. Joint resolution to establish the Tule Elk National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. STAGGERS:

H.J. Res. 508. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois (for himself, Mr. FASCELL, Mr. RHODES, Mr. PEPPER, Mr. MALLARY, Mr. MADIGAN, Mr. KETCHUM, Mr. ESCH, Mr. BEARD, Mr. MURPHY of Illinois, and Mr. BELL):

H. Con. Res. 196. Concurrent resolution authorizing and directing the Joint Study Committee on Budget Control to report legislation to the Congress no later than June 1, 1973, providing procedures for improving congressional control of budgetary outlay and receipt totals, the operation of a limitation on expenditures and net lending commencing with the fiscal year beginning July 1, 1973, and for limiting the authority of the President to impound or otherwise withhold funds authorized and appropriated by the Congress; to the Committee on Rules.

By Mr. RANDALL:

H. Con. Res. 197. Concurrent resolution; it is the sense of the Congress that the President should continue in operation the programs and activities authorized under the provisions of the Economic Opportunity Act of 1964, and in accordance with the provisions of that act, until and unless Congress determines otherwise; and submit a revised budget request for such activities for fiscal year 1974; to the Committee on Education and Labor.

By Mr. YATRON (for himself, Mr. COUGHLIN, Mr. DRINAN, and Mr. ROE):

H. Con. Res. 198. Concurrent resolution expressing the sense of Congress that our NATO allies should contribute more to the cost of their own defense; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself and Mr. SARASIN):

H. Con. Res. 199. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

142. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to granting favored nation status to the Soviet Union; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 6975. A bill for the relief of Mr. Agostinho Rodrigues; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 6976. A bill for the relief of Patricia P. Grant; to the Committee on the Judiciary.

H.R. 6977. A bill for the relief of Esaki Konar; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.R. 6978. A bill to authorize the Secretary of the Interior to consider and act upon an application for modification of Bureau of Land Management coal lease No. D–034365; to the Committee on Interior and Insular Affairs.

By Mr. MADIGAN:

H.R. 6979. A bill for the relief of Monroe A. Lucas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

164. By the SPEAKER: Petition of Larry Rodriguez, Key West, Fla., and 78 other law enforcement officers in Monroe County, Fla., relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

165. Also, petition of James J. Kelledy, Calumet Park, Ill., and others, relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

166. Also, petition of John R. O'Keefe and other members of Fort Pitt Lodge No. 1, Fraternal Order of Police, Pittsburgh, Pa., relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

167. Also, petition of Edward R. Rumpler and others, Pittsburgh, Pa., relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

168. Also, petition of James Werner, Quakertown, Pa., relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

169. Also, petition of George Robb, Wheeling, W. Va., and others, relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

170. Also, petition of Keith R. Dumesic, Kenosha, Wis., relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

SENATOR RANDOLPH URGES REALISM IN THE QUEST FOR ENVIRONMENTAL QUALITY

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, April 12, 1973

Mr. JACKSON. Mr. President, on April 5, 1973, the senior Senator from West Virginia and distinguished chairman of the Public Works Committee (Mr. RANDOLPH) delivered the keynote address to the first Government Affairs seminar of the Air Pollution Control Association. The Senator's speech raises some very cogent points concerning the need to obtain a reasonable balance between the implementation of Federal environmental policies and the attainment of other national requirements such as our growing energy needs.

As we are all aware, and as the Senator from West Virginia points out so clearly, the country has not done well in finding a suitable and equitable balance between energy requirements and environmental goals.

The consequence has been severe implications for domestic energy supplies. This is already apparent from hearings of the Senate's national fuels and energy policy study, which I had the pleasure of cosponsoring with the Senator from West Virginia over 2 years ago. Through his foresight over the years we now have an opportunity, in the Senate, to address the balance between energy and the environment and other major energy policy issues. I commend my distinguished colleague's foresight in this area and recommend his speech of April 5 to my colleagues.

Mr. President, I ask unanimous consent that the text of the speech be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

LUNCHEON ADDRESS BY SENATOR JENNINGS RANDOLPH

It is gratifying to be invited to address the First Government Affairs Seminar of the Air Pollution Control Association.

On many occasions over the last ten years an event such as this could have helped to stimulate dialogue and understanding among government and industry and the environmentalist, alike. I say "ten-years" because it has been that long since the Senate Public Works established its Subcommittee on Air and Water Pollution. Together, we have journeyed over a long and arduous course. We still have a difficult journey ahead.

This Seminar has been concentrating, appropriately, on the policy issues arising out of the implementation of the 1970 Federal Clean Air Amendments and the resultant State implementation plans. And, this is a timely discussion, as are the public policy debates as to whether or not the auto industry can achieve the 1975 auto emission standards prescribed by the Congress. During the next two years, the Congress and the American people must evaluate the status of our national quest for clean air and the adequacy of the commitment by government,