Size of loan: Up to a total of $2,500 while enrolled in a vocational school or during the first two years of a degree program. Up to a total of $5,000 while studying toward a bachelor's degree and up to $10,000 during the entire undergraduate and graduate career.

Terms of repayment: Begins after leaving school or service in military, Peace Corps or VISTA. Interest of 3 per cent on unpaid balance of loan is charged when repayment period begins. Maximum length of repayment period is 10 years. Loan is canceled and no repayment necessary for teachers of the handicapped and teachers in inner-city schools and servicemen who spend one year in a combat zone.

Comments: This is the original of the Federal assistance programs for students, which began as the National Defense Student Loans in the late nineteen-fifties in the wake of the panic over the launching of the Soviet Union's first satellite. It was awarded on the basis of academic achievement, largely to students in the sciences and education. Academic achievement no longer figures in the loan and major field of study makes little difference. Students from families with incomes in excess of $12,000 get 10.6 per cent of the loans.

These are the major state-operated aid programs in the metropolitan area.

HOUSE OF REPRESENTATIVES—*Wednesday, September 12, 1973*

The House met at 12 o'clock noon.

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

Whatever task lies to your hand, do it with all your might.—Ecclesiastes 9: 10 (NEB).

Eternal God, our Father, as we wait upon Thee at this altar of prayer, may we feel Thy presence near and in the assurance of Thy love and find deliverance from our fears and our frustrations. Help us to walk in Thy good ways, thinking good thoughts, speaking good words, and doing good deeds that we may prove ourselves worthy of the high position we hold in the life of our Nation.

O Thou joy of loving hearts, give to us such a lift for life that work may not become drudgery, but that we may see in it a dignity of service which seeks the highest welfare of our country. May we learn the long, long lesson of patience as we live and labor for the day when justice shall rule the minds of men and good will shall reign in the hearts of all, enabling the nations to live together in peace.

In the spirit of Christ we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 8917, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS

Mrs. HANSEN of Washington. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8917) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1974, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington? The Chair hears none, and appoints the following conferees: Mrs. HANSEN of Washington, Messrs. YATES, MCKAY, LONG of Maryland, EVANS of Colorado, MAHON, MCDADE, WYATT, VEYSEY, and CEDERBERG.

PROPOSED HARRY S. TRUMAN MEMORIAL VETERANS HOSPITAL

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

Mr. ICHORD. Mr. Speaker, I am today introducing legislation to designate the Veterans' Administration hospital at Columbia, Mo., in the Eighth Congressional District as the Harry S. Truman Memorial Veterans Hospital. Joining me in introducing this measure are my distinguished colleagues from Missouri, Mr. RANDALL, Mr. HUNGATE, Mr. BURLISON, Mr. CLAY, Mrs. SULLIVAN, Mr. TAYLOR, Mr. LITTON, and Mr. SYMINGTON.

Mr. Speaker, we have not often seen in this country a man, a President, as committeed to the welfare of our Nation's veterans as President Harry S. Truman.

President Truman did not ignore the plight of American veterans nor did he attempt to pacify them with postwar rhetoric.

Harry Truman was responsible for the implementation and development of the comprehensive system of benefits and services which our veterans and their families enjoy today. Because of his efforts, the veterans of three wars have been able to complete their education, purchase their homes, and receive proper medical care.

It is important to note that only four other Americans have been honored by the naming of a VA medical facility in their memory. It is indeed appropriate to include Harry S. Truman in this group of Americans, as distinguished as Royal C. Johnson, Franklin Delano Roosevelt, Audie Murphy, and Sam Rayburn.

The State of Missouri has four veterans hospitals and the Columbia hospital is one of the newest in the Nation. It is a splendid facility, one of which Mr. Truman would indeed be proud to have named in his honor.

We can do no less for this man from Missouri who carried the burden of the free world but never forgot the men who fought to keep it free.

THE MILITARY ALL-VOLUNTEER CONCEPT—SECOND SEGMENT

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

Mr. MONTGOMERY. Mr. Speaker, to continue my series of 1-minute speeches, the Army announced yesterday that under the all-volunteer program they were 19 percent short of their goal of 17,000 recruits for the month of August.

Since February 1972, a month after draft calls ended, the Army has failed to meet the overall enlistment quotas each month.

The Navy seems to have done a better job of recruiting in August by reaching its goals. They did not reach their goals in June and July.

The Air Force, Mr. Speaker, is having no trouble in recruiting under the all-volunteer concept. However, the Marine Corps did not reach its quota in August.

The Reserve Forces are going to grow, Mr. Speaker, and be a stronger arm in the defense of our country. However, the Regulars have a real problem in the volunteer era.

FURTHER LEGISLATIVE PROGRAM

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

Mr. O'NEILL. Mr. Speaker, I take this time to announce that we are indefinitely postponing consideration of H.R. 6452, the urban mass transit bill. Today we will consider S. 504, the emergency medical services vote to override the President's veto; H.R. 7974, the health maintenance organization, under an open rule with 1 hour of debate; and H.R. 8789, the Bicentennial coinage design, under an open rule with 1 hour of debate.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 448]

Ashbrook	Fisher	Litton
Badillo	Gibbons	Lott
Burke, Calif.	Gray	McEwen
Burton	Green, Pa.	McSpadden
Clark	Gubser	Macdonald
Clawson, Del	Guyer	Mathis, Ga.
Collier	Hanrahan	Mayne
Conyers	Harrington	Milford
Davis, S.C.	Hicks	Mills, Ark.
Dellums	Hunt	Mink
Denholm	Ichord	Powell, Ohio
Diggs	Kuykendall	Railsback

Reid	Sandman	Udall
Riegle	Satterfield	Veysey
Roybal	Shoup	Waggonner
Runnels	Stark	Whalen
Ryan	Stratton	
St Germain	Teague, Tex.	

The SPEAKER. On this rollcall 382 Members have recorded their presence by electronic device, a quorum.

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

EMERGENCY MEDICAL SERVICES SYSTEMS ACT OF 1973—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is: Will the House, on reconsideration, pass the bill (S. 504) to amend the Public Health Service Act to authorize assistance for planning, development and initial operation, research, and training projects for systems for the effective provision of health care services under emergency conditions, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS) for 1 hour.

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

Mr. Speaker, this is to me one of the most important issues I have ever brought before the House in my 25 years in the Congress and my service as chairman of the Committee on Interstate and Foreign Commerce. I think this bill means more to America than any other issue I have ever advocated and stood for. This is the Emergency Medical Services Systems Act.

It is not my word but the word of the experts who testified before our committee from many organizations that passage of this bill will save from 60,000 to 100,000 lives a year. For instance, the American Heart Association, which is for this bill, said at least 10 percent of the 275,000 lives that are lost each year through heart disease could be saved if they had fast service and trained personnel to take care of the situation.

That is exactly what this bill is designed to do: to train personnel, to provide ambulance services for Americans. Many communities have ambulance service but they do not have trained personnel to run them. This bill will assure everyone that when he calls for an ambulance and it arrives the ambulance will have trained personnel to treat the person on the way to the hospital.

This bill will also assure a communications system in the ambulance to enable communications with the doctor and the hospital. Also there will be a communications system so that two or three ambulances will not be coming to answer a call but one ambulance if only one is needed will go with personnel trained to handle the problem.

The thousands of automobile accidents annually kill 55,000 people. It is estimated by the Ambulance Associations that of these 55,000 Americans each year 15 to 20,000 lives would be saved if we had trained personnel and adequate ambulance service to answer the calls. Many of the thousands killed in accidents that occur in homes, could also be saved by this system.

In fact, the President of the United States said twice, once in his recent state of the Union message, and in another message, that he was for emergency medical services adequate to take care of the citizens of the land. Now, the red herring that comes across the scene is the inclusion of the Public Health Service hospitals.

I would like for every Member of the House to know why it was put in the House bill. The Senate put in seven of the Public Health Service hospitals. I knew that we would have to deal with them some way when we went to conference. They neglected to put in one, which was in the great State of Virginia. I said that this was wrong and could never be considered in any way, so I asked the Rules Committee whether it could be included and it was included and we voted on it in the House, a majority of this House.

It has been said that they are superfluous, that we do not need them, they are outmoded. I have in my possession here letters from two Surgeons General of the United States saying that they are all important to America. One of them is from Luther Terry, who says that this is one of the most important things we can have for experimentation and for carrying on the obligation that this Government made in 1798 to our citizens who fight in our wars and carry our cargoes over the seas.

I have a message from another former Surgeon General, Jesse Steinfeld, who says that to him the Public Health Service hospitals are the great experimental places of the land and that when he took over as Surgeon General in December 1969, he had a program set forth to utilize them in this way and he never could get this administration to put it into effect.

Mr. Speaker, I want to say that we have every veterans' organization in the land backing this. They have passed their resolutions in their national conventions and have gone back to every post in America. We have the National League of Cities, the National Association of Counties, the Governors' Conference, the AMA, all of which want this bill. The AMA wanted $600 million in the bill when they came before the committee and said we needed it. The American Heart Association, the PTA, the Senior Citizens, the AFL–CIO and all their associated labor organizations, the National Ambulance Service of America are only some who have passed resolutions, and they have their posts in every small part of America. They have said in the resolutions that they have passed, that they want this bill passed because it is for the good of America.

Mr. Speaker, I just urge to all Members of this House that this bill be passed.

Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, the allocation of time, as I understand it, would be 30 minutes to a side. If the gentleman from West Virginia will allocate the 30 minutes to me, I will then determine the time.

Mr. STAGGERS. No, I will not do that. The time stays with the chairman, and I will allocate it.

Does the gentleman wish to have the gentleman from Minnesota (Mr. NELSEN) speak first?

Mr. DEVINE. I do.

Mr. STAGGERS. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Speaker and Members of the House, this issue is one that I regret perhaps more than any one I have ever been involved in. The chairman of the full committee is a dear friend of mine; and the chairman of the subcommittee, who is perhaps one of the most able and one of the greatest students of health programs in the United States today.

The issue here is the emergency medical services bill, which was considered in the subcommittee and approved. It was considered in the full committee and approved, with my support.

Then, to my surprise, when the rule was asked for, the Rules Committee was asked to grant a rule that would permit nongermane amendments to the bill. So the Public Health Service hospital bill came into the picture. The minority was never advised of it. The committee never considered it.

In my judgment we spend a lot of time complaining about the Senate coming in with nongermane amendments, yet here we are doing the same thing ourselves, when an issue should be considered on its merits separate from the emergency medical bill.

So I opposed the bill on final passage because of that fact. Others did. And 50 of us have reintroduced the emergency medical bill, because we still believe in it, and we still believe it should be considered and it should not be, shall we say, "snuck in" under a waiver of points of order granted by the Rules Committee.

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

Mr. NELSEN. I yield to the gentleman from West Virginia.

Mr. STAGGERS. If the gentleman was not at the Rules Committee hearing, he should have been there, because I asked for an open rule and that this be done, and told why. They had ignored one State in the Nation, and I did not think it was right.

Mr. NELSEN. I will concede that the gentleman from Minnesota was there, but it was a total surprise.

Being a country boy—not a country lawyer, but a country boy—I was without the proper language to debate the issue at the moment. I believe I should have been advised of what the gentleman was going to do. That is the way the committee has so successfully and continually operated; in an atmosphere of total friendship.

Mr. STAGGERS. I agree with the gentleman.

Mr. NELSEN. Mr. Speaker, getting to the emergency medical bill, 50 of us have introduced the bill in its exact language. We have not changed a single period or a single word in that bill, because we believe it would not require a hearing. It could be brought back to the floor and passed.

Dealing with the Public Health Service hospital issue, I was on the conference committee about a year and a half ago. If we go back just a few decades, we had 30 of them. Year by year we have reduced the number. We can go back to the Eisenhower days, or go back to the Kennedy days or go back to the Johnson days. All of these Presidents recommended that we begin to phase out the Public Health Service hospitals.

In this case there is a good deal of misunderstanding because actually, what is being phased out is the inpatient care alone. The outpatient care, which is the major function the Public Health Service Hospitals provide, will be continued. The dental care will be continued.

The outpatient care services thousands of people all over the United States.

I was down at Galveston and visited the hospital there. The number of people of low income waiting to see a doctor was very, very impressive to me.

The inpatient caseload has been diminishing year after year. Under the terms set forth in these proposals the inpatients would be taken care of in other hospitals.

The outpatient care, the really important part of the care, would be sustained in these Public Health Service hospitals.

Really there has been a good deal of misunderstanding as to what is being proposed. We, as a committee on the Hill, should not say to a department downtown, "Every time you move you have to clear it with us."

I ran an agency, the Rural Electrification Administration. Some of that was attempted. Had some of the recommendations I received at that time been put into practice down there, I would have had my hands tied all the time.

I do not want to tie anybody's hands, but under the law the administration must report to us and give us 90 days before any move is made.

We can still review any proposed closings in our committee, and I regret that there has been any oversight, as referred to by my good chairman. However, I want to say that these issues should have been divided. We should have voted immediately on the emergency medical services provision. I will again vote for it, and I am sure the administration will support it, and if they do veto it—which I am sure they will not—I will support it all the way.

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

Mr. NELSEN. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, does the gentleman have assurances that the President will sign the bill?

Mr. NELSEN. Mr. Speaker, we have assurances from the President in the form of a letter which the minority leader, Mr. GERALD R. FORD, has received from the President, and which, I am sure, he will refer to.

I will yield to the minority leader, Mr. GERALD R. FORD, to make reference to it at this time, if the gentleman wishes to hear from him.

Mr. GERALD R. FORD. Mr. Speaker, I did not hear the question that was asked, but I have some time of my own which I will use to explain it, if that will be helpful.

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

Mr. NELSEN. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I asked the gentleman if he had assurances that the President would sign the bill, if it passed.

Mr. GERALD R. FORD. Mr. Speaker, I will make a comment on that in my own time.

Mr. STAGGERS. Mr. Speaker, does the gentleman from Minnesota care to answer my question?

Mr. NELSEN. It is my understanding——

Mr. STAGGERS. It is the gentleman's bill, and I want an answer from him.

Mr. NELSEN. What answer does the gentleman want from me?

Mr. STAGGERS. Mr. Speaker, I want to know if the President has assured the gentleman that he will sign the bill which the gentleman put in the hopper.

Mr. NELSEN. Mr. Speaker, I have not asked him, but the minority leader, Mr. GERALD R. FORD will address himself to that subject. He has a letter.

Mr. STAGGERS. Mr. Speaker, I do not think secondhand information will do. If the gentleman puts in the bill and then tells me the President will do something that he cannot assure the House that he will, that will not do. That is what I am asking the gentleman.

Mr. NELSEN. Mr. Speaker, I am telling the gentleman the bill will be signed.

Mr. STAGGERS. But the gentleman is not sure? The gentleman told me that he is not sure.

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

Mr. NELSEN. Yes, I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I will amplify this later on, but I will put my reputation on the line and say that if the gentleman gets this bill out stripped of the Public Health Service provisions, I can convince the people in the White House that the President should sign it.

Mr. STAGGERS. Mr. Speaker, that will not do for me, and I do not think that will do for any Member on your side, because I do not think the gentleman has the power to make the President of the United States do something if he does not want to do it. I do not believe the gentleman has that power.

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

Mr. NELSEN. I will be glad to yield to the minority leader.

Mr. GERALD R. FORD. Mr. Speaker, no one can be certain of his influence with any administration, but I do know this: I do know the logic of the position taken by the gentleman from Minnesota (Mr. NELSEN) and the position taken by other Members on our side of the aisle on that subcommittee.

It is a sound and a responsible position, and I do believe that the President, when the facts are presented to him, as they will be by me personally, he will see the need and the necessity for this legislation, and I will stake my reputation on it.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield for just 1 second?

Mr. NELSEN. I will yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I wish to say that the gentleman who is speaking in the Chamber is a great man, really a great legislator and a great representative of his people. He was utterly honest in what he tells me. He tells me that he does not know, and I can say to the Members that one could never put his reputation or anything on the line concerning something that is said secondhand or thirdhand, because only God knows what is going to happen. We are beginning to doubt whether we will have the final passage of this bill unless *it is* passed today. If it is not passed today, there will be a doubt forever whether it will pass this House ever again and be signed by any President.

Mr. NELSEN. Mr. Speaker, I cannot agree with the chairman of the committee. He is attempting to put words into my mouth. I would not generally go along with that technique.

I am sorry that this issue has become clouded by going to the Committee on Rules without any advance notice to the minority side. We have never operated that way.

I want to call attention to another issue that I have not mentioned up to this point.

The Fort Worth Public Health Service Hospital has a facility, and about a year and a half ago, the Bureau of Prisons wanted that facility for treatment of drug addicts. In our conference committee, the majority opposed it, and I think the chairman did also. I went along with the other body to transfer the Fort Worth facility for a worthy cause; yet he opposed even that.

In my judgment, we were wrong then, and I believe we are wrong now in bringing the two issues together. We could consider them separately, as we should.

I hope that the chairman and I, after this is all over, can have a cup of coffee together.

Thank you.

Mr. STAGGERS. I can assure my friend we will.

Mr. Speaker, I now yield 1 minute to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, as a member of the Appropriations Subcommittee on Health, I was surprised some years ago to learn of the high number of deaths caused by lack of facilities when first needed. This is especially true in the case of heart attacks and shock caused by accidents. As the one who proposed and promoted the idea of using National Guard helicopters as emergency ambulances, I have also been interested in securing better emergency facilities for victims to be taken to.

Mr. STAGGERS. Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. HASTINGS), a member of the committee.

Mr. HASTINGS. Mr. Speaker, Chairman STAGGERS has very well articulated the reason why an emergency medical service bill should be in fact approved by this Congress and signed by the President. I will certainly take no back seat at all in support of emergency medical

services, and both the chairman of the full committee and the chairman of the subcommittee know that. I was a sponsor last year of the emergency medical services bill when, although we completed subcommittee action, we were not able to get the bill on the floor. I was a sponsor of the emergency medical services bill this year, as we spent many, many days of hearings and markup sessions to bring this bill before this House for its consideration.

I will repeat what Mr. NELSEN said. I was somewhat shocked and surprised to find after our subcommittee had spent all of its time and the full committee spent all of its time in approving an emergency medical services bill that the Public Health Service section was added to the Committee on Rules.

I think the Public Health Service issue is one that the Subcommittee on Public Health spent a great deal of time on and has every intention of spending more time on. I voted against the emergency medical services bill when the bill came on the floor with PHS in it because I will not surrender my prerogative as a member of that committee to make a determination as to what type of legislation comes out of our committee.

I think it is probably well that in fact the Public Health Service section was added to the bill, because my understanding was that the administration was opposed to the emergency medical services as we brought the bill out. I might say I would have been here on the floor defending that bill without the Public Health Service section in it.

Now, I think, in answer to the chairman's question as to whether or not the administration will in fact sign a separate bill that has been introduced by Mr. NELSEN, myself, and 50 other sponsors now, I will stand on this floor and say if the administration were to veto that, I would defend an override as strongly as today I am imploring this House to sustain for the reason that the Public Health Service section was added without the consent of our subcommittee or the full committee. I will give that commitment to you.

I have been a firm advocate of EMS, and I will continue to be so whether the administration goes for it or against it. I will stand on this floor and defend the emergency medical service. And with the backing of the minority leader, the gentleman from Michigan (Mr. GERALD R. FORD), we have every reason to believe without categorically being able to indicate so to you at this time that we can take a separate EMS bill without one word being changed, and get the approval of the administration, which is something we could not have done before.

Mr. STAGGERS. If the gentleman will yield, again the gentleman refers to EMS and the PHS hospitals getting in there. We knew, and the gentleman knew, that there were seven hospitals put in by the other body. There was one left out. I did not know this until just before we went to the Committee on Rules when it was brought to my attention. I said that it was not fair to treat one part of America in a different way than we treat the rest of America. I went before the Committee on Rules, and offered an amendment. I did not shove it down the throat of anybody. It was voted on in the Committee and the House.

Mr. HASTINGS. It was added as a nongermane amendment with waivers of points of order on the floor.

Mr. STAGGERS. But it was voted upon, it was not stuck in here.

Mr. HASTINGS. I only repeat that my subcommittee, on which I am a member, and happily so, never had an opportunity to consider that question. I think that we should, in fact, have that opportunity.

As a matter of fact, we had oversight hearings going on over at the subcommittee at the very time this matter was added.

Mr. STAGGERS. But I believe if the gentleman wanted to be the chairman, the gentleman would find——

Mr. HASTINGS. I am not the chairman, as the gentleman knows.

Mr. STAGGERS. Will the gentleman yield further?

Mr. HASTINGS. Certainly.

Mr. STAGGERS. The gentleman is talking about an amendment that we passed in this bill coming back and being vetoed. But does the gentleman know that over 200 lives are lost each day that we are fooling around with this matter?

Mr. HASTINGS. I have already admitted that the gentleman has made great arguments in favor of my position in support of EMS. And I can say to the gentleman that we have a better chance, as it turns out, to pass the EMS bill than we had before because we believe we can have the support of the administration.

Mr. STAGGERS. The gentleman has no assurances of that. The gentleman may have assurances, but the gentleman can not tell us that it will be done.

Mr. HASTINGS. I think we are in a better position now than we were months ago, in my opinion, I think the gentleman will admit, as far as administration support is concerned.

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

Mr. HASTINGS. I yield to the gentleman from Kansas.

Mr. ROY. Mr. Speaker, I thank my distinguished colleague for yielding.

Is it true that the bill, H.R. 10176, that was introduced by the gentleman in the well and the gentleman from Minnesota (Mr. NELSEN) and others, contains the same authorization figures that the present bill does?

Mr. HASTINGS. It is identical in language to the bill reported by the subcommittee and the full committee.

Mr. ROY. Am I correct in assuming then that the gentleman from Minnesota (Mr. NELSEN) and the gentleman now in the well, and the other cosponsors reject the idea that this is a budget buster, which was the President's No. 1 objection to this bill in his veto message?

Mr. HASTINGS. As the gentleman from Kansas well knows, I can only speak for this gentleman. I cannot presume to speak for anybody else. Since I was a cosponsor of that bill and since I sat next to the gentleman from Kansas, the gentleman knows that the subcommittee approved that figure, and I guess I would have to say certainly that I support that funding level. I do not believe it is a budget buster, and I still support it.

I urge very strongly that this House sustain the veto, and get the emergency medical services bill back to the floor in the reintroduced form.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. SYMINGTON), a member of the committee.

Mr. SYMINGTON. Mr. Speaker, I thank the Chairman for yielding me this time.

Mr. Speaker, I would that I could speak the requisite number of appropriate words to help this House act affirmatively on this measure—not to overcome a veto, but the tenacious obstacles between the American people and adequate emergency medical service. It would be tempting to outline the manifest need in my State, my district, for such an investment, but we are not here to cast a district vote; it will be a national vote.

Remember Burke, who said:

> I am not a member of Bristol; I am a member of Parliament.

I could turn to my own side of the aisle and call any wavering Democratic colleagues to the colors of their partisanship, or to my Republican friends, and urge them to fling aside the bonds of partisanship, but the smiling death that lurks in the chaos and incompetence of America's emergency medical systems is not partisan.

How, then, can the effort to escape it be so considered? The Public Health Service hospitals—visit them, talk with the doctors, nurses, patients, and community residents, and then vote, if you can, to close them down.

Finally, Mr. Speaker, this is not a test of will; it is a test of conscience and of accountability to the people we serve.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MURPHY), a member of the committee.

Mr. MURPHY of New York. Mr. Speaker, I rise to add my voice to urge that this body vote to override the President's veto of S. 504, the Emergency Medical Service Systems Act of 1973. The authors of that legislation have given proof beyond question of the need for emergency medical service systems in the United States. I will not add further to the litany of good reasons why the Congress must override this veto.

One of my major concerns has to do with that portion of the legislation that would maintain the Public Health Service system in operation. I would point out to Members that late yesterday and early this morning, at the 11th hour, the Secretary of the Department of Health, Education, and Welfare sent a letter to the New York delegation that I consider as a fraud being perpetrated on this body.

In April and May the Committee on Merchant Marine and Fisheries held extensive hearings on the Public Health hospitals and the closure thereof. The Secretary of Health, Education, and Welfare was a witness on May 11 at those hearings. I was very surprised this

morning when I received a letter by Caspar Weinberger, the Secretary of Health, Education, and Welfare, which letter is as follows:

SEPTEMBER 11, 1973.

Hon. JOHN M. MURPHY,
House of Representatives,
Washington, D.C.

DEAR MR. MURPHY: As you know, September 1973 is the date set for the House to vote on the President's veto of S. 504, the "Emergency Medical Services Systems Act of 1973." S. 504, by a floor amendment, would also prevent the Department from shifting inpatient care from the eight remaining Public Health Service Hospitals to local community hospitals. You may recall that originally there were 30 PHS hospitals in the Federal system. Gradually, they have been phased out and HEW has now made arrangements in seven of the eight cities to provide better care to the Federal beneficiaries, often considerably closer to their homes, in much newer and better equipped community hospitals.

The provisions for the transfer of inpatient care in the PHS hospitals was made in accord with P.L. 92–585, which required a plan be submitted to Congress 90 legislative days in advance of the proposed transfer. The plan for six of the hospitals was transmitted to Congress by the Department on March 28, 1973 and the plan for the seventh hospital on July 2, 1973. In both plans, Congress was informed that the Department will continue to operate the outpatient departments and dental clinics located in each of the seven affected hospitals.

The purpose of my writing to your delegation is to inform you of the situation of the eighth PHS hospital located on Staten Island. As you know, we have repeatedly stated that we would transfer to community hospitals only when alternative arrangements were available which met our criteria of better care in more modern and convenient facilities. We have evaluated carefully the proposal which has been submitted to us in the case of the Staten Island hospital, and we have now concluded that these criteria have not been met. The greater New York City area does not have the surplus acute care hospital beds that exist in the other areas served by the other seven PHS hospitals. Accordingly, we have decided that the Staten Island hospital is to continue its operation unchanged, and the Department presently has no plan either completed or under development to transfer to community hospitals the care now provided there on an inpatient or outpatient basis.

I hope this clarifies any misunderstanding among your delegation regarding the Staten Island PHS hospital.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

It is political charlatanism of the worst possible sort.

The administration is in trouble on this vote and they know it. They also know that if they can turn around the New York delegation, they have a chance of beating the veto override. In what I consider a flagrant attempt to buy off the New York Congressmen, Mr. Weinberger has written to each member of the delegation promising to keep open the Staten Island Hospital. I point out to my colleagues from New York that this letter is fallacious on two counts. First, and of a more simple and direct nature, Mr. Weinberger has offered us a carrot if we are "good boys" and go along with the President. I urge my colleagues to consider the letter carefully, because there is no guarantee that this facility will not be considered for closing the minute this vote is over. Based on Mr. Weinberger's record, I believe it is safe to say that he will do just that—close the hospital once he has divided us for the purpose of sustaining the veto.

Of more importance, the letter assumes that we are concerned with just the Staten Island Hospital, and while that facility is in my district, I, of course, do have an overriding concern over its future. However, that is not the question at issue here. The issue is the future of the entire Public Health Service system. While the hospitals form the core of that system and are vital to its operation, it is the system that must be continued.

It is the system that provides medical care to hundreds of thousands of persons each year, the bulk of whom will be denied such treatment if the system is destroyed.

This is what we are voting on today—the survival of a vital health care delivery system in the United States that cannot be replaced or, contrary to what Mr. Weinberger says, reproduced. The Secretary deceptively states in his letter that alternate care in the seven hospitals besides Staten Island can be found elsewhere in the community. This is simply not true. Hearings before the House Merchant Marine and Fisheries Committee proved that this was not true, and showed Mr. Weinberger up for the charlatan he is.

The hearings proved beyond question that in each of the seven hospital areas, vital services will be curtailed or stopped altogether.

Mr. Weinberger cannot tell us where the ghetto dweller in Galveston will go for an eye if the eye bank at the PHS hospital in Galveston is shut down.

Mr. Weinberger cannot tell us where the cancer patient at the Baltimore PHS hospital will go for treatment if that unique program is shut down.

Mr. Weinberger cannot tell us where drug addicts in Boston will go for their treatment if the methadone maintenance program in that PHS facility is shut down.

Mr. Weinberger cannot tell us where the secondary beneficiaries will go in New Orleans for treatment, nor can he tell us where children with dyslexia and other learning disabilities can go for therapy and pediatric treatment, because the New Orleans PHS hospital has the only program of its kind in that area.

Mr. Weinberger cannot tell us where the 10 medical and dental schools, the colleges, community health centers, and hospitals in San Francisco will turn for training and direct patient care that is now provided by the PHS hospital.

Mr. Weinberger cannot tell us who would pay for the services presently provided by the Seattle PHS hospital to the Seattle Indian Health Board and the Seattle Free Clinic.

Mr. Weinberger cannot tell us these things because they were not included in the plan he asks us to accept today by sustaining the veto of S. 504.

Mr. Speaker, these are only some of the highlights of the wealth of information contained in our hearings which point out the serious flaws in Mr. Weinberger's plan to replace the Public Health Service system. I would point out that most of the information came from Mr. Weinberger's own subordinates, who feel that the closing of the Public Health Service system would constitute a callous disregard for hundreds of thousands of American citizens. The overriding issue on the Public Health Service question was, did the HEW proposal meet the statutory requirement that the PHS beneficiaries be assured of continued equivalent care?

The preponderance of the evidence proved that the HEW plan did not meet this standard. As a major health care executive, who was in line to take over PHS beneficiaries under the HEW plan, told me, "We are second best to PHS."

Mr. Speaker, it is unacceptable that the PHS beneficiaries should get "second best" treatment.

It is unthinkable that some primary beneficiaries and most secondary beneficiaries get no treatment at all. I am convinced that the Congress agrees with that position. We are not asking in this amendment for the perpetuation of these hospitals indefinitely. We are simply asking that HEW be required to *comply* with Public Law 92–285, which requires that HEW submit a plan that would provide equal care. Until this is done, the Congress must keep the system in operation. I urge Members to vote to override the President and give the people of the United States these vital systems which will mean life or death to thousands in the months and years ahead.

Mr. STAGGERS. Mr. Speaker, I at this time yield 1 minute to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, one of the more tragic aspects of our being in the House is to see us get bogged down in terms of protocol, in terms of a whole lot of niceties. While the lives of people are at stake, while we gloss over gut issues. Someone is suggesting now that these Public Health Service hospitals be wiped out, and I think that is the height of asininity and stupidity to suggest this.

Only a few short months ago one of our colleagues, Bill Fitts Ryan, sat over there dying of cancer. He came on this floor to make a vote when he was dying of cancer. In the Public Health Service hospital in Baltimore City there is a fantastic cancer research operation ongoing. All the hospitals in the area feed into that facility.

Go ahead—kill this, and kill another Bill Fitts Ryan, if the Members dare.

Mr. Speaker, I am constantly amazed at the toleration level of the American people. Millions of Americans are unemployed or subemployed, and have been so for years, but they tolerate this. Millions of Americans live in abominable housing where they are blatantly exploited, but they tolerate this. I have grave concerns that if this body fails to override the Presidential veto that we shall strain the toleration limits of people to the breaking point. The issue before us today is the matter of sheer survival. It is the matter of citizens having the right to medical care. It is the matter of fathers and mothers having the right to medical care for their children.

The opponents of this measure will argue that adequate medical care will be made available through other sources.

This is simply not so. They will further argue that the cost associated with this legislation is prohibitive and inflationary. This is simply not so.

What is at stake today is whether one man, the President; and one agency, the Department of Health, Education, and Welfare can dictate to all of America policies which threaten the very survival of millions of people.

It comes to my mind that we faced an analogous situation some years ago. During the time when Senator Joseph McCarthy was intimidating decent Americans and attempting to dominate the political life of this country through the use of smear tactics, half truths and outright lies; finally one strong voice had the courage to speak. You will recall it was the Attorney, Mr. Welch, who finally confronted Joseph McCarthy and in words to this effect said: "At long last Sir have you no sense of decency left?" I think today the House of Representatives must turn to an administration which has denied decent housing, which has accepted persistent chronic unemployment, and we must say, "At long last is there no sense of humanity left?" This is not a partisan matter, this is the matter of the right to life.

I am fully aware of the tactics being used to pressure and bulldoze Members of this Chamber into supporting the President on this issue. I know of the number of Members who have been summoned to the White House. I know of the promises made, that will not be kept. Having full knowledge of these things I still believe that this House will protect the most precious commodity we have—human life. It will do so because many of us realize that blind loyalty to any administration, be it Democratic or Republican, can never justify an act of inhumanity. So I beseech my colleagues to override the veto, and in so doing let the message be heard loud and clear that we seek to protect the right of people to survive—we here today attempt to insure the right to life.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan, the minority leader (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Speaker, the distinguished chairman of the Committee on Interstate and Foreign Commerce emphasized the importance of this vote. I fully agree. Then he qualified it by indicating that the issue involving the Public Health Service hospitals was a red herring, and I use his words, not mine. I do not think this issue of the Public Health Service hospitals is a red herring. I believe that we should have emergency medical services legislation. I disapprove of the Public Health Service hospital provisions which, although nongermane to the EMS bill, were tacked on.

The chairman of the committee indicated that the President of the United States on two occasions has asked for such legislation. This indicates White House support for such legislation. However, the Public Health Service hospital problem is one that we ought to face up to.

As I recollect discussions with those who are more knowledgeable than I, at one time we had some 30 Public Health Service hospitals and from time to time as the need has changed they have been phased out. There has been understandable reluctance in one community and another that those hospitals should be phased out, but they have been.

Just recently in my State of Michigan we had one phased out. There was a Public Health Service hospital in Detroit that served the maritime people in the Great Lakes. It was phased out. There was vigorous objection and there were dire predictions made, but the truth is that now that it has been turned over to the State of Michigan, the county of Wayne, and the city of Detroit, it is being appropriately used and more functionally used. The maritime personnel in the area, the people who originally were served, are now better served than they were under the old Public Health Service hospital concept. The State, the county, and the city are using that hospital which was a former Public Health Service hospital and using it effectively. That is what the administration wants to do with all but one of those remaining.

Now I am told if we sustain this veto, that in the process of eliminating the traditional Public Health Service hospitals we will end up with a continuation of the outpatient care, and that is the major share of the responsibility at the present time. Secondly, if these Public Health Service hospitals are phased out with the exception of the one on Staten Island, under contract services with local hospitals our maritime employees will get better service closer to their homes than they do under present circumstances.

I was surprised at my good friend, the gentleman from New York, from Staten Island, who talked about being "bought."

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. No; just a minute. The gentleman knows very well that the circumstances in that hospital are different than in the others and the reasons for keeping that hospital open are unique and unusual and it should be kept open. The others are in a different category.

I will be glad to yield to the gentleman for a comment.

Mr. MURPHY of New York. Mr. Speaker, I asked the gentleman to yield for a question, really. Is the gentleman aware that the district court granted an injunction against the Federal Government, the executive branch, from closing all the hospitals, and, in their opinion, they said that HEW does not have the power to close those hospitals, that the power to close those hospitals rests with the Congress?

Mr. GERALD R. FORD. That is a lower court decision. Legal action has not been concluded, and the facts are that, if we pass this legislation, we will insure that these hospitals will be kept open despite the fact that the medical profession as a whole recognizes that they should not be kept open.

One final observation. In a colloquy I had with my friend, the gentleman from West Virginia, I assured the gentleman and I assure Members of this body who are here that I can be sufficiently persuasive to convince the President of the United States that he should sign an EMS bill minus the Public Health Service features. I am convinced that we can get it through the White House if the gentleman from West Virginia will report it out of the committee.

Mr. STAGGERS. Mr. Speaker, I yield to the gentleman from Michigan (Mr. CONYERS) such time as he may consume.

Mr. CONYERS. Mr. Speaker, what the distinguished minority leader failed to mention is that the Marine Hospital Complex was given to State and local control, and is now divided into two portions, both badly needed and appreciated by the citizens of Detroit. One portion of the compound is devoted to mental health facilities which include inpatient care, rehabilitation offices, and after care for released patients. The other portion of the complex, is a nonprofit community based operation which provides a drug abuse treatment center. This center is now in full operation under a community based board and meets all FDA, State Board of Pharmacy and DEA requirements. It is most certainly not an example of citizens who are unconcerned about keeping open an emergency medical center.

The Emergency Medical Services Act, vetoed by the President, provides $185 million over a 3-year period to provide training and emergency health care equipment. At present there is no coherent system or the provision of emergency medical services in this country and so approximately 175,000 people die needlessly each year because they cannot get adequate medical care in an emergency. If rural America and the disadvantaged residents of inner cities are to have adequate emergency health care, it is imperative that the House vote to override this veto. Improvements in our country's emergency medical services have long been needed, and it would be tragic if the potential benefits provided by this modest legislation, which should be understood to be a completely nonpartisan issue, were lost. The patchwork of fragmented and inadequate emergency medical services is in fact a deadly threat. Testimony presented before the Committee on Interstate and Foreign Commerce confirms that there is no greater cause of unnecessary death and disability in the United States today than that caused by lack of proper emergency medical services. This fact is a tragic reality for older Americans who see little irony in the fact that almost half of this country's ambulance services are provided by funeral homes.

The time is long overdue for Congress to stand up to its constitutional mandate. The Emergency Medical Services Act is good legislation, moderately funded, to meet a pressing need. The intent of Congress has already been made clear. How many more lives must be lost before the inadequacies of the existing emergency medical services are realized and corrected?

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the chairman of the sub-

committee, the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I hope we can begin to get back on the track on what really is the question before us today.

Mr. Speaker, this body and each of us as individual Members of Congress have for our decision today the issue of whether we will reaffirm the action we have previously taken, that this Congress has taken, saying that we need in this Nation an emergency medical services bill. That is the principal question. It is perhaps as important a bill as ever we have had, because this bill talks about doing something now, with knowledge we already possess; and not talking about having to do more research to get results. The bill says to do something now for our communities and our people.

Mr. Speaker, the issues before us as we approach the vote on whether to sustain the Congress original action in passing S. 504 are simple: First, are the American people entitled to receive technical and financial assistance for the improvement of the shameful state of our emergency medical services? Second, can the bureaucrats at the Department of Health, Education, and Welfare be allowed to disobey the laws of the Congress by submitting a plan for transferring or closing six Public Health Service hospitals that is grossly violative of the legislative requirements guaranteeing proper treatment of dependents?

Most importantly, Mr. Speaker, this bill will save lives. All of us are familiar with the inadequacies of emergency services in our rural areas and in our cities. Late ambulances, unskilled attendants, improper emergency room practices are all too well known.

Mr. Speaker, this program is not a large one. It is a project designed to allow communities to receive a start in EMS. First, seed money is authorized for planning of a proper program. Second, 1-year grant money is made available for a portion of the costs of establishment and initial operation of the EMS system. A second-year's grant, at a lesser Federal contribution, is authorized if the EMS system is progressing satisfactorily. After that, the system is on its own. So this is not a massive infusion of Federal money into local EMS systems, Mr. Speaker. It represents a Federal commitment to allow deserving communities to plan and get started with effective emergency transportation and care.

Mr. Speaker, an amendment to this bill mandates that the Public Health Service hospitals remain open until the Congress says otherwise. Frankly, I am sorry that this amendment is necessary, but it became necessary because of the bad faith of a few HEW officials. Last year, Congress passed a law which allowed closing or transfer of the hospitals if certain assurances were given beforehand to the Congress. HEW chose not to cooperate with the Congress by submitting a detailed plan mandated by law which would have given assurances that persons entitled to care and treatment at the hospitals would continue to be provided equivalent care. Mr. Speaker, the plan submitted to the Congress was no plan at all. It was simply a decision to close the hospitals with no attention to the beneficiaries save a few vague commitments from surrounding hospitals concerning hospital bed availability. Dr. Vernon Wilson, the former Administrator of the Health Services and Mental Health Administration, testified that—

> There are no plans of substance any place in the report that would help me as a professional to be assured that the primary beneficiaries will receive adequate care.

Judge Pratt, in a decision enjoining the proposed transfer agreed. He stated that—

> There is substantial doubt as to whether the Plan as submitted to Congress . . . meets the requirements of P.L. 92-585. . . .".

So this amendment became necessary, Mr. Speaker, to protect the beneficiaries and the integrity of the Congress. It does not mandate that the hospitals remain open in perpetuity. I can assure the Congress that when and if HEW submits a plan consistent with this act to the Congress, the Health Subcommittee will hold immediate hearings to consider the proposal and will consider it with an open mind.

Who is behind this bill? Nobody but people. They are the only ones. Senior citizens and their representative groups have endorsed it, these are people who have heart attacks. It is estimated that 275,000 people who have heart attacks every year never make it to the hospital simple because effective emergency care is not available. What is needed is a way to get there; teams that know how to handle the medical problem and keep patients alive until they get to the hospital; communications to alert the hospital so they are ready to take care of them. The American Heart Association estimates that 10 percent of prehospital coronary deaths could be prevented if prompt, efficient emergency care were available. Ten percent, that is almost 30,000 people.

Jacksonville, Fla., has already instituted a program. The city received a Federal grant for a demonstration project—now the Federal Government is out of it and they are carrying it on their own financially.

This is the kind of program that the Members can help get implemented for their communities right now, and it is their judgment today whether this should be done. We do not know whether the President would sign another bill.

What about accidents? We have just gone through Labor Day. Do the Members know how many people were killed in automobile accidents just this past weekend? Almost 600 were. The first reports were 559, and they estimate it will be up to 800 when all the reports come in. That is just over a weekend. Do the Members know what they estimate we could save out of 55,000 automobile deaths a year if EMS were available? About 15 to 20 percent. That is a savings just simply by putting our knowledge to work in this bill.

When we talk about rural areas, it is unbelievable what the need is out there for emergency services. Do the Members know who is behind this bill? I will tell them; mothers and fathers of 15 million children involved in accidents. It is the greatest cause of deaths between the ages of 1 and 37 in this Nation; 16,000 children die in accidents, many because they could not get to the hospital or did not have a team come in time that knew what to do in what situation.

The Veterans of Foreign Wars say they are for an override. The Legionnaires say they are for it. The county governments say that we need it. The city governments say that we need it.

This is not a big Federal program. It is about $60 million per year. Do the Members know what this House just voted the other day, and the distinguished minority leader joined, as others did? He joined in voting for $100 million—I commend him for doing it—to do something about 200 deaths a year from lead-based paint. I do not know whether the President will sign that bill or not; perhaps the gentleman will convince him to, but what I am saying is that here are 60,000 lives that can be saved.

As the chairman said, now the opposition is trying to shift the debate, and there is no point of going through this charade, shifting the debate and saying, "Well, we cannot approve it because of the Public Health hospitals."

I think it is unfortunate that there is some personal pique on this, and I understand it, but that should not be the determinant factor in this debate. We have an obligation to the American people.

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

Mr. STAGGERS. Mr. Speaker, I yield 1 additional minute to the gentleman from Florida.

Mr. ROGERS. Mr. Speaker, let me say, with respect to Public Health Service hospitals, that all we ask is that the administration come up with a decent plan as to how they will take care of the beneficiaries. That is what the Court stated they ought to do. That is what the law said they ought to do.

Mr. Speaker, in conclusion I will say that it will cost more—and I have the facts here—to close these hospitals, more for the Federal Government, than if we continue them now. The average cost per patient per day in the Public Health hospitals now, the projection for 1974, is $92, and outside it is $169. We will save $76 per patient per day on every patient. It will save money to override this veto.

Mr. Speaker, the last time we were required to vote on a veto of a health services bill was in June of 1970, when the Congress overrode, by a vote of 279 to 98, a veto of the Hill-Burton hospital construction bill. Mr. Speaker, the response against this veto from the American people indicates that Emergency Medical Services System Act deserves the same support.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to a member of the subcommittee and a member of the committee, the distinguished gentleman from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. Speaker, I rise in opposition to the veto override.

This has been no easy and quick decision. I voted last year for the emergency medical services bill. I am an original cosponsor of this year's bill from our sub-

committee, and of course I voted to report it from the subcommittee and the full committee.

I am a supporter of emergency medical services, and the record proves it.

What is more, I like the provisions in the bill before us, the EMS bill, a portion of what is before us.

Moreover, I tend to disagree with most of the HEW and administration arguments against the EMS portion of this bill.

But there is another section in S. 504, and the purpose of that section is to mandate the maintenance of this Nation's Public Health Service hospitals. Let us examine this section for a moment.

It was never offered as an amendment in the subcommittee. It was not offered as an amendment in the full committee. Neither the Public Health and Environment Subcommittee, on which I serve, nor the full Committee on Interstate and Foreign Commerce received one word of testimony as to this portion of the legislation that is before us here today.

Yet the Public Health Service hospital portion of this bill asks us to mandate the expenditure, which of course is far beyond providing an authorization, of $80 million a year. That is $240 million over 3 years.

Let us consider this in comparison to the 3-year cost of the EMS portion of the bill, $185 million. The Public Health Service hospital section of the bill would not just double the cost of the bill, it probably would triple the cost of the bill in actual cash spent. It is therefore obvious to me that to vote in favor of S. 504 because it contains a needed, well-conceived, and overdue emergency medical services section is to let the tail wag the dog. The Public Health Service hospital section of the bill is not merely a minor adjunct to S. 504, it largely is S. 504.

Let us examine the Public Health Service hospital section further.

Others have indicated the shortcomings in the cumbersome and, I believe, totally unworkable procedure, for either improving or modifying or reducing any of the services provided by the Public Health Service hospitals.

As a matter of fact, even though my committee never had the opportunity to study the legislative situation wisely, I am inclined to believe that these hospitals do a good job and their vital services are deserving of continuation.

So much the more reason not to hamstring the Public Health Service in the administration of these important health resources by making them come to Congress for every change. The way this bill is written they practically have to come to Congress to change a diaper.

Many fear that a "no" vote today is a vote to kill Emergency Medical Services and the PHS hospitals.

If I believed that for 1 minute, if I believed it would injure or delay the establishment of Emergency Medical Services or jeopardize in actual fact the services of the PHS hospitals, I would not vote "no" and I would not be urging my colleagues to vote "no" as I plan to do today.

What, then, is the effect of a "no" vote?

The fact of the matter is that it will return both legislative matters to the Health Subcommittee for prompt and responsible action. And I believe that the Health Committee, on which I am privileged to serve under the distinguished leadership of our chairman, the gentleman from Florida (Mr. ROGERS), will act promptly on an EMS bill, an EMS bill identical to that section of S. 504 before us and identical to the bill by the gentleman from Minnesota (Mr. NELSEN) put in yesterday.

And I am equally confident our committee will hold legislative hearings, as should have been done in the first place, to preserve the considerable benefits of this Nation's PHS hospitals. Moreover, I would expect our committee to move such legislation quickly and expeditiously to the floor.

If both the PHS hospitals and the EMS legislation do not come to the floor it will not be the fault of the minority members of the committee.

I firmly believe my colleagues can vote "no" on the override with a clear conscience. It is a "yes" vote for responsible legislation.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas Mr. TEAGUE).

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

Mr. TEAGUE of Texas. Mr. Speaker, there is no way I can say what I have to say concerning this bill and the veto in 2 minutes, but there is no question that every veteran group in this country knows and believes that the heart and soul of our veteran program is our veteran hospital program.

For 25 years I have watched the Bureau of the Budget, the OMB, nibble away at our hospital programs and there is no question that they will attempt to put these people from Public Health Service hospitals into our veteran program.

Now, Mr. Speaker, recently in Missouri, the President made the statement that he would maintain a separate hospital program. The Director of OMB, Mr. Ash, told me personally in my office—and I am sure he will not mind my repeating it—that this will be maintained. But at the same time this was going on, in HEW they were making a plan to take these veterans hospitals and put them into an overall national health program. So, Mr. Speaker, every veteran group is suspicious and skeptical, with every right to be, of this program, and these groups are all in favor of overriding the President's veto.

Mr. STAGGERS. Mr. Speaker, the minority side has yielded 1 minute to the gentleman from Kentucky (Mr. CARTER). I will yield the gentleman 2 additional minutes, giving him a total of 3 minutes.

The gentleman is a member of the subcommittee and also a member of the full committee and has considered this bill all the way through.

Mr. CARTER. Mr. Speaker, health should have no politics. The best facilities we have for diagnosis, treatment rehabilitation, and transportation are none too good.

From 350,000 to 400,000 people die each year of heart attacks. It has been estimated by health authorities that 60,000 of these might well be saved with better trained ambulance attendants and medical personnel.

Some 54,000 people are killed each year on our highways. Thousands more are permanently injured due to faulty handling by untrained personnel; thousands more could well be saved.

As many of you know, up until approximately 3 years ago, funeral homes throughout much of the United States, and particularly in my State, furnished ambulance services. But a regulation from HEW required any company offering ambulance service to have two trained attendants on duty at all times. Because of this implementation of the Federal regulation, almost every ambulance company or funeral home offering ambulance service in my area was forced out of business.

A small company simply cannot afford to keep six trained men on duty during a 24-hour period. The funeral homes and many of the ambulance companies went out of business, and as a result the burden fell on the counties, the small county hospitals throughout Kentucky and the United States.

This places an intolerable financial burden upon our counties and hospitals. It would range in cost from $70,000 in a small county to millions of dollars in a county like Jefferson County. The Federal Government here in Washington promulgated these regulations and placed this enormous financial burden upon our small counties and communities.

Therefore, I submit, Mr. Speaker, that it behooves us to help the small counties throughout the United States in training ambulance personnel, and with financial assistance in the purchase of equipment necessary for adequate and meaningful ambulance service.

Much has been made of the fact that our Public Health Service hospitals are underused. In some cases, I must admit that this is true. However, in others, such as the hospital in Baltimore valuable research is being done in the area of cancer causation, detection, and treatment.

As a physician, it would be very difficult for me to advocate closure of an institution which might well find the cause of cancer and through research develop a cure for this insidious disease which, this year, will kill 400,000 of our people.

I know, Mr. Speaker, many of you think it cannot happen to you. I want to tell you that what you least expect will happen and what you dread the most seldom ever occurs. I have seen close personal friends stricken with this almost always fatal disease—and I have seen few complete recoveries.

Now Arthur Younger, who sat on the committee of which I am now a member, developed leukemia; the Honorable Glen-

ard Lipscomb, in whose diagnosis I was involved, was taken from us at the height of his effectiveness.

The facility in the Public Health Service hospital at Baltimore might one day find the cause or cure of this silent insidious disease. Would you, Mr. Speaker, be one to lock the doors of an institution which held such promise?

Many times on our highways, among the 54,000 who are killed each year, a femoral or brachial artery may be severed. The attendance of a skilled technician might well prevent a fatal hemorrhage. This legislation provides for such trained attendants. Will you, Mr. Speaker, be the one to deny the unfortunate person who is hemorrhaging to death the skillful care and attention which is necessary to save his life?

Mr. Speaker, on our highways, of the 54,000 who are killed each year, many suffer spinal injuries with pressure upon the spinal cord. Without experienced care, loading, and transportation, this would result in irreparable paralysis. Would you, Mr. Speaker, vote to deny that person with a spinal injury the right to have a skilled attendant to see that he is not paralyzed as a result of unskilled handling?

The cost of this bill is $185 million. A little more than we pay each year for our deployment of troops in Italy; a little less than we pay for our military installations in Great Britain. It would result in the saving of at least 60,000 people a year from fatal heart attacks, 30,000-odd people from crippling injuries.

Mr. Speaker, this bill is supported by almost every medical organization in the United States, the American Heart Association, the American Cancer Society, the American Hospital Association, the Association of Mayors and of County Officials.

Today, we are asked to sustain the veto of our President. I regret to say I feel that he has received poor advice and by voting to override we shall be doing our people a great service

I would give a word of advice, Mr. Speaker, to our fine young freshmen Congressmen: You are elected by the people of your district, and to them you owe your allegiance.

Today I ask you to vote your consciences, to vote as the people of your district would have you vote, and not according to the way a separate division of our Government, which is not conversant with your problems, would have you to do.

A vote for this legislation is a vote to save lives on our highways; to care for those who are wounded. A vote for this legislation is a vote for further research, care, and treatment of our cancer patients.

The sum of money which we authorize today will cost approximately as much as two destroyers.

We need to make our country stronger from within and a better place in which to live. I urge that you vote to override and assure you that the thinking people of your district will support your action.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Kansas (Dr. ROY), a member of the subcommittee and the full committee.

Mr. ROY. Mr. Speaker, I would like to associate myself with the remarks of Dr. CARTER, my fellow physician on the subcommittee.

Dr. CARTER has served the people of his State well, first as a skilled and compassionate physician and now as a legislator who is a strong supporter of effective health legislation. Both Dr. CARTER and I want legislation that will work and not health legislation just for the sake of health legislation. The EMS bill is such legislation. It will work.

On no piece of health legislation have I received so many calls, letters, and telegrams from health professionals in support of a bill. I have heard especially from private practitioners of medicine who say, "BILL, we want to deliver satisfactory emergency services, but we need your help to establish good emergency medical service systems."

The need is desperate for an emergency medical services bill. In each of our congressional districts over 100 people will die each year because of the lack of emergency medical services. An estimated 45 people per congressional district will die from accidents because of the lack of emergency services. Another 55 will die of heart attacks, and about 10 will die of other causes because of the unavailability of emergency services.

I feel we must support this bill now and that we cannot wait for another bill to go through the committees of both bodies and again appear on this floor. And everyone knows, we have received no assurances that another EMS bill will not be vetoed. If indeed we can go the long legislative route, we have no assurances that we will not be back here again at this point of attempting to override a veto at that time.

So I appeal to my colleagues, do not play legislative roulette with greatly needed emergency medical services while thousands of Americans die because of a lack of competent systems to meet the emergency needs of our people, but to vote now to override.

Mr. STAGGERS. Mr. Speaker, at this time I yield 1 minute to the distinguished gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Speaker, I suggest that most of us probably tune out most commercials on television, but there is one current commercial that has relevance to this bill. It says simply, if you have your health, you have got just about everything.

I am not suggesting that prompt, efficient ambulance service or Public Health Service hospitals are the total answer for good health. They provide only a very small part of it. But for anyone who is critically ill and needs service available at that Public Health Service hospital or needs an ambulance at that moment—then those services do indeed mean everything.

Food, housing, everything else fades into insignificance at a time of critical illness—health comes first. Is there any Member of this House today who would say they could not draw up a list of priorities and that they could not find other places where they could save $65 million this year? An area not as critical as programs supplying basic health needs?

If time allowed, I could suggest a dozen areas where we can save $65 million and we would not be taking away services which provide the most vital—the most basic item to any American "health." Let us not choose this as "the" place to economize.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the distinguished chairman of the Committee on House Administration, the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Speaker and Members of the House, I heard the distinguished gentleman from Pennsylvania (Mr. HEINZ) talking about how he was for the bill, but, I just want you to think about one thing, I am told this bill will cost $185 million for 3 years. It is estimated that it will save 180,000 lives during the next 3 years. The President says we cannot afford it, but we are building aircraft carriers which the President says we can afford. This total bill would not cost as much for 3 years as one-fifth of one aircraft carrier, which could go under the water with one well-placed bomb down its stack, and that was proved in World War II.

It seems to me if you have got any qualms about "I am for it, but—," this ought to answer the "but" for you, and it ought to establish some kind of a priority.

I am for the defense budget, but I am for 180,000 human lives before I am for one-fifth of an aircraft carrier.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, it is very difficult for any of us in this short debate to explain the anguish that we feel that this bill has been vetoed, and that it might not be overridden today.

To answer the minority leader, the gentleman from Michigan (Mr. GERALD R. FORD) I have here a letter from the people who reviewed that hospital in Seattle at the request of HEW, and they said that it has to be kept open because there is no alternative plan for us.

We also have a cancer center there. Those of us who have members of our families and our friends suffering and dying from cancer know that that center has to be shifted someplace else, and at incredible expense.

Here is a letter from the medical hospital at the University of Washington that says that one-fourth of their medical student interns are interning at the Public Health Service hospital.

When you talk in terms of what the expenses are of this bill we must remember that there has been a tonnage tax on merchant tonnage for years to support this. That was removed in 1906, but it was earmarked, and it is still there, so that money should pay for these hospitals.

I was very disappointed when I learned that the President had seen fit to veto the Emergency Medical Service Systems Act. It is clearly the intent of a majority of the House and the Senate that the Federal Government involve

itself in the very important business of saving lives that are currently being lost because of the lack of immediate medical attention when they need it most—at the point of injury.

As the distinguished Congressman from West Virginia and chairman of the Interstate and Foreign Commerce Committee noted in his statement on May 31, 1973, before the House of Representatives:

> Our Committee found in its hearings that one of the most visible and unnecessary parts of our country's health care crisis is the present deplorable way in which we care for medical emergencies. Every year 55,000 people die in automobile accidents. Every year 16,000 children die in accidents. Every year 275,000 people die from heart attacks before they reach the hospital.

On the same occasion, my distinguished colleague and chairman of the Public Health and Environment Subcommittee of the House Interstate and Foreign Commerce Committee noted that this legislation has the potential for saving over 60,000 lives each year .

The President, who has distinguished emergency medical services as one of his health priorities, indicates in his veto message that the Federal Government should attack this problem on a demonstration project basis. The Congress, however, emphatically stated its position that the Federal Government has the responsibility of engaging actively in the fight to save these lives by passing the Emergency Medical Services Act by a vote of 261 to 96 in the House and 79 to 13 in the Senate. When the conference report was passed, this statement was even more strongly reiterated—by a vote of 97 to 0 in the Senate and 306 to 111 in the House; the Senate vote of 77 to 16 to override the veto stresses this point again.

Another of my concerns with the President's action on this bill is the fact that he is hereby ignoring the intention of Congress to keep the Public Health Service Hospital System open. In his veto message, Mr. Nixon noted:

> These hospitals have a record of service to this Nation, and especially to its merchant seamen, which is long and distinguished. Nevertheless, it is clear that their inpatient facilities have now outlived their usefulness to the Federal Government.

While it has been clear since late 1970 that the administration has intended to use any method available to close the hospitals—what has not been clear is that the inpatient facilities at these hospitals have "outlived their usefulness" to the beneficiaries of the hospitals. These beneficiaries, in fact, have gone so far as to file suits against the Federal Government charging that the plans submitted to Congress did not assure the beneficiaries of adeqaute care. The beneficiaries, therefore, seem to find the impatient facilities "useful"—whether or not the President finds them "useful to the Federal Government." So did the group appointed to study this for HEW because there was no plan to keep this service.

I would also like to point out that the Public Health Service hospitals play a substantial role in health manpower training, health research and as support facilities for a wide variety of community health programs serving those people who would not be able to purchase these services independently. These hospitals serve the needs of the entire country through extensive research projects, including unique projects in cancer, cardiology, endochrinology, infectious diseases—the list is extensive. The cancer center will have to be shifted at enormous expense. They participate in the cooperative training of 12,000 medical and paramedical personnel each year and provide backup inpatient services to projects involving services to crippled children, patients services to projects involving services to crippled children, patients in need of kidney machines and to the little-publicized victims of leprosy, among others. Backup inpatient services will certainly not be available under HEW's plan—and research activities involving inpatient care will be terminated along with manpower training programs. The University of Washington has a substantial intern program in the hospital.

In conclusion, it is the overwhelming opinion of the beneficiaries of the Public Health Service hospitals that they will not be better served through the HEW contract system. HEW has had the opportunity in the plan required under Public Law 92–585 to indicate what their alternatives will be and to give the local community an opportunity to respond to that plan. They have not supplied a plan that provides any specifics on how care will be provided and they have estimated that the cost per patient under a contract system will be increased significantly.

In passing the Public Health Service hospital amendment in the beginning, the House put itself on record as being opposed to the hospitals being closed—and in strong votes of both the House and the Senate this was confirmed when the conference report was passed. I propose that we support the Senate's decision and vote to override this Presidential veto—to insure that the beneficiaries of the hospitals will continue to receive good medical care until HEW can come to Congress with hard facts to prove that they can provide better care without the hospitals—and to begin on a National level the attack against the needless loss of over 60,000 lives per year.

Finally there is still in existance a tonnage tax on merchant shipping which was originally to finance this obligation, so taxes are still being collected for these facilities.

Mr. STAGGERS. Mr. Speaker, I yield 1 minute to the distinguished gentleman, the chairman of the Committee on Agriculture, Mr. POAGE of Texas.

Mr. POAGE. Mr. Speaker, I think it is fair to say that all of us recognize the need for this medical service. I do not believe that is the question before us. On the contrary I think that this boils down to a question of financing.

I have been criticized from time to time as being too conservative on the question of expending tax money. Maybe I am. In any event I don't want to see us commit the Government to spend money we do not have, even for a good cause.

The gentleman from Pennsylvania suggested that if we overrode this veto that this bill would cost three times as much as it would otherwise cost. Certainly this particular bill would cost more, but the cost to the U.S. Government will be about three times greater if we do not pass this bill because we still will have to take care of these people who are in those hospitals. We are under contract to take care of these people right now, and we are going to take care of them. Everybody agrees we are, including the gentleman from Pennsylvania. So if we take them out of these hospitals and put them in some other and more expensive institution then the cost will be about three times what it is today.

None of these institutions are in my district. As I see it it is just a matter of sound business to keep the hospitals in operation. The issue is do you want to pay a lot of unnecessary costs in order to say that you supported the President. I do not believe that is good business.

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

Mr. CAREY of New York. Mr. Speaker, I would just like to make this observation—downstairs on the first floor of this building we supply emergency medical services to all of the Members of this body, and all the people around the Capitol for everything from poison ivy to hyperacidity. We also supply equivalent services to all high-ranking members of the executive branch over at Bethesda. How dare we deny to the American people what we have carefully supplied to ourselves? It is their right to have competent medical service just as we have it in case of emergency.

Mr. Speaker, there has been a great deal of talk by this administration about achieving economies throughout Government. I think that is laudable—we should expect the executive to carry out their mandate as efficiently and as economically as is consistent with the policy and program goals determined by the Congress—even if that means saving $20 million at HEW by shutting down most of its communications programs and transferring these funds to the office of the Secretary. I presume that these funds will be impounded by the present incumbent as is his wont with "surplus" funds.

However, I take strong issue with Mr. Weinberger and company when they talk about economies in health care and preventive medicine and then fight tooth and nail against a program that will save the Nation billions of dollars and save Americans—you and I, even members of the Cabinet—from the needless anguish and pain of emergency health disasters that are presently untreated, or treated inadequately; even dangerously.

Mr. Speaker, the short-term economy of not investing in the emergency services that would be provided by this legislation is more than offset by the costs in long-term care, rehabilitation, handicapping, disfigurement, and death. There is absolutely no comparison between the two, and this administration knows it. The veto of this program, which the President originally supported,

is just another example of callous slashing of funds for health programs throughout the Nation.

Traffic deaths run between 50,000 and 60,000 per year in the United States. About 15,000,000 children suffer serious accidents every year and 15,000 of these die as a result of their injuries. But it has been shown that 15 to 20 percent of highway deaths could be prevented if prompt, effective emergency care were made available at the scene of an accident, on the way to the hospital and during the first hour of care at the emergency room or in surgery at the hospital. We could also substantially reduce the number of children dying as a result of their injuries if they had access to the type of emergency care this legislation will provide. Ten percent of the 275,000 yearly prehospital coronary deaths could be eliminated with proper emergency care.

Mr. Speaker, this veto is an outrage not only on economic grounds but in the speciousness of the arguments put forth in opposition by both the White House and the Department of HEW. Arguments are put forth that this is just "another narrow categorical program, that takes initiative, direction and responsibilities away from the local governments."

That statement is absolutely false. This legislation provides assistance to local governments and then lets them utilize it in the way best suited to their needs. The administration also states that we need only a demonstration program to develop and test new techniques in emergency care. That statement also makes no sense whatsoever. We have right now the medical, technological, electronic, transportation and testing know-how and capability—all that is needed is the funding and paramedical training this bill provides. Thousands of lives may well be lost by a failure to insist on this bill becoming law.

All I can say to my colleagues as we deliberate on this bill is that the next emergency could be you, your family or loved ones, and I, for one, would rather trust myself to competent, swift and well-equipped emergency treatment and transportation than to the tender mercies of empty administration assurances and specious argument and logic. I know when tragedy struck my own family through a multiple-fatality traffic accident, I could only wish that emergency care and transportation, like that provided by this bill, had been readily available. We need this legislation and we need it now.

Mr. Speaker, there is another title to the bill that is of great importance to the medical well-being of many Americans. I refer to the provisions mandating the continued operation of the eight Public Health Service hospitals across the Nation.

The number of these hospitals has gradually dropped to eight. The Congress has mandated, in legislation, that 90-day notice must be given by the administration before the proposed closure date for these hospitals. In this notice there must be contained detailed and supportable evidence, that those receiving medical care at these hospitals must continue to receive at least the same level of care at other facilities, that the closing would result in economies in spending Federal funds, and that the relevant health planning organization would have time in which to comment on the proposed closure.

Mr. Speaker, these closure notices or plans have all been received by the Congress and every last one of them fails miserably to measure up to the requirements of Public Law 92–585. There is no assurance, other than a cursory review of available beds elsewhere, that the care of those served by the present system will be adequate. There is clear-cut evidence that providing equal services will cost far more than maintaining the hospitals in operation. And only 10 working days were permitted planning agencies to comment on what was not the plan, but only a letter outlining in glowing terms the generalities of what was planned in providing alternate care and research activities.

Mr. Speaker, I have received many letters from those now being served by the Public Health hospitals in this Nation. And while merchant seamen do receive treatment and care at these facilities, their use is far broader. Letters have been received from veterans, retired military, the poor, and from many who find this hospital their only source of medical care and treatment.

Until the administration at least has the courtesy of providing the Congress with adequate compliance with the provisions that would permit closing these hospitals, they should remain open until such time as the Congress determines they can be replaced with equal or superior treatment facilities through some other aegis. The administration apparently feels that mere lipservice to the letter of the law is sufficient to shut down the only medical care to which thousands of Americans presently have access.

Mr. Speaker, in order to assure this needed health care and in order to save Americans from 150,000 needless accident fatalities, 400,000 totally disabled, and a loss of over $25 billion annually, the Congress must vote to overturn this senseless, heedless, and economically foolish veto.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio, the ranking member of the Committee on Interstate and Foreign Commerce (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, it is nice to legislate in an atmosphere that is cool and objective and unemotional. I feel that some of the lobbying tactics in favor of overriding the President's veto are a little questionable. A number of my colleagues have come to me and said that they had received telephone calls from Members of the majority saying, "Do you want to be responsibe for 60,000 lives? Unless you vote to override the President's veto their blood will be on your hands."

An unemotional approach and an objective approach, of course.

Mr. Speaker, we have had some comparisons here, like comparing bananas and apples. The question here today is not whether emergency medical services will be provided.

There has been introduced H.R. 10174 with over 50 sponsors on this side, which contains the original medical emergency services bill not loused up with the Public Health Service hospital question. I can say to the Members that this Member, who is one of the cosponsors among the 50 others, in the event that bill does come out of our committee, will vote for it, notwithstanding any objection of the President or anybody else, because I think the vast majority on this side of the aisle, as well as on that side, support emergency health services.

I am reminded of one of our former colleagues who retired from the Congress, Page Belcher of Oklahoma, who always pointed out when we had a bill like this that it had a lot of good features, but some bad features in it as well. Along these lines he said:

> You know, if you had a barrel here with 49 gallons of distilled, pure water, and over here a one-gallon can of contaminated poisoned water, and if you take that one gallon and pour it into the 49 gallons, what do you have?

He said:

> You have 50 gallons of contaminated water.

What we have to do is to keep the 49 gallons of pure water, which is the Emergency Medical Services Act that we all favor, and eliminate the Public Health Service thing that was put in this bill by waiving points of order, and not the subject of hearings in our committee, and we will have an emergency medical care bill.

I cannot speak for the President, nor can the minority leader, but I can assure the Members that I, as one of the cosponsors of the uncluttered EMS bill by itself, will vote to sustain that position, and am confident the folks downtown will accept our new legislation.

I yield back the balance of my time.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to our distinguished Speaker, the gentleman from Oklahoma (Mr. ALBERT).

Mr. ALBERT. Mr. Speaker, since the issues of this debate have been fully developed I think we should take a little bit of inventory. When the House first considered this bill it passed by a vote of 261 to 92 or nearly 3 to 1. When the bill came back by way of conference, not the Senate, not the Committee on Rules, not the Committee on Interstate and Foreign Commerce but this House, by a vote of 306 to 111 which is more than 2 to 1—almost 3 to 1, sustained this proposition with the eight public health hospitals included. That action was the action of the House. The action of more than two-thirds of the Members acting on this bill.

Today the responsibility lies, not with the majority party, but with the more than two-thirds of the Members who voted on this bill when the conference report was before the House.

The question today is this: Are we going to play a merry-go-round and pass one bill after another because the Senate happens to put something in it that someone does not like, but which the

House accepts by more than a 2-to-1 vote?

I have no criticism of the minority leader or of the gentleman from New York and others who voted against this proposition when it was here in the conference report. But how are the other Members who voted for the conference report, going to be able to go back to their constituents and tell them that their conscience was wrong; that their constituents were wrong when they sent the Members here to exercise their judgment; that the Members had to wait for the Secretary—the unelected Secretary—of Health, Education, and Welfare to tell them what is good for their people.

The reputation of the House of Representatives is at stake. We should all stand up and be counted for our people.

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

Mr. Speaker, I am sorry that we do not have any more time, but I want to congratulate everyone who has spoken here today. I believe the discussion has been in the proper tenor and there has been good debate on good legislation.

I would like to say to my friend, the gentleman from Ohio, while we are talking about lobbying from the majority, that I have seen two men from the White House standing out here and lobbying each day, talking to people and telling them what to do. What about calling men to the White House last night? How about that?

Of course, we have a perfect right to talk among ourselves. We are the legislative body and we ought to legislate as our consciences tell us.

The evidence is all in. We are the jury. This is the greatest and the most powerful body that has ever been known in the world in the history of mankind. Every segment of this country and every citizen of this Nation is represented in this body. The verdict lies within our hands.

The verdict does not lie with the U.S. Senate. They rendered their verdict before the recess and it was heard all over America. They voted 77 to 16 that this was a good bill.

Do we think they were voting in the wrong way over there? We know they were not. They considered what they were doing.

I hope this House will certainly do the same thing. We hold in our collective hands here today the fate of 60,000 lives, as has been testified to before the committee, and the lives of untold thousands who will be injured or disabled and who will not be saved if we do not pass this bill. We will lose over 200 Americans each day if we fail to take any action.

This reminds me of the old question: Shall the verdict be based upon political expediency or political pressure or shall the verdict be based upon our wisdom and experience and compassion?

Some day each one of us will have to stand before the uncorrupted judge in the skies who keeps the records and he will have to stand there before the bar of judgment. How will each of us be voted upon there if we vote "no" today when by a "yes" vote we can save the lives of people, by just our single vote?

I say to the Members that record will be kept in the annals of mankind from now on as to how we vote on this important issue, this issue which is so important to America.

Mr. KASTENMEIER. Mr. Speaker, 175,000 people die needlessly each year because they are unable to get adequate medical care in an emergency. It has been estimated that proper emergency care would save approximately 60,000 of these lives annually. We have the means to save many of those lives through the assistance provided in the Emergency Medical Services Systems Act.

The record of the inadequacy of our emergency medical services has been amply documented. Even the American Medical Association, hardly known for its extravagances in recommending Federal funding, asked earlier this year for $630 million to do what S. 504 proposes. Yet, the bill that the President says is too expensive, provides only $185 million over a 3-year period to upgrade emergency medical care.

How do you explain to a mother whose child has just died from drowning largely because of the inability of poorly trained ambulance attendants to administer proper care, that we could not afford to provide the training that might have saved her child. How do you justify authorizing $800 million more for military assistance to South Vietnam and Laos than the Defense Department says can be spent in compliance with the cease-fire accords, while denying the emergency medical care that might save the 16,000 children that die from accidents each year.

How do you tell children who have just lost their mother in a traffic accident largely because only one doctor was on duty to administer to emergency cases and he simply did not get to their mother in time, that all we could afford were five emergency medical services demonstration projects and their community just wasn't one of them. How do you explain that we can afford to build planes that do not fly and to subsidize private defense industries, but we cannot afford to save the 15 to 20 percent of the 55,000 highway accident victims that could be saved through emergency care each year.

Mr. Speaker, this is not a question of demonstrating support for any one man. It is not a question of uniting in support of or opposition to the President. It is a question of saving human lives, and we cannot play politics with human lives. We have the opportunity to enact legislation that has the potential to save thousands of lives each year. If we can afford to spend billions of dollars on military operations that destroy lives, surely we can afford to spend a few million to save lives.

Mr. Speaker, I urge this body to override the veto of this bill.

Mr. PATMAN. Mr. Speaker, it is no secret that emergency medical services in the United States of America are, to say the least, sadly inadequate—particularly in our Nation's rural areas where the distances between accident and hospital are often substantial and always crucial.

The quality of medical attention that is administered to victims of accidents or sudden illness is, in many cases, the difference between life and death—and I believe that the assistance provided in the Emergency Medical Services Act, S. 504, can make that medical attention mean life.

The emergency medical treatment system which was developed by our military forces in Southeast Asia proved that prompt and expert care can be delivered to injured people within a matter of minutes, even in a combat situation, and that such speed and expertise does save lives. On the civilian scene, accidents are the leading cause of death for Americans under age 38, and it is estimated that proper emergency care could save as many as 60,000 lives each year. In my mind, Mr. Speaker, this is justification enough for immediate enactment of the emergency medical services bill.

Studies done by the Department of Health, Education, and Welfare and Federal transportation safety officials have abundantly documented the scarcity of properly equipped ambulances and hospital emergency rooms throughout the United States, and the almost complete lack of training found among ambulance attendants is appalling. In this connection, I would like to point out that there are particularly difficult problems in rural areas where citizens have long depended upon funeral homes to provide emergency transportation for accident victims. It is obviously unreasonable to expect that these drivers are adequately qualified to administer emergency treatment.

Furthermore, in several counties within my own congressional district, some private ambulance operators have found that it was no longer economically feasible for them to continue providing ambulance service, with the result that these areas have been left virtually without adequate emergency transportation systems. I believe that residents of our small towns and rural areas have a right to equal protection of life and limb.

In view of the fact that we know precisely what the shortcomings are and how to correct them, and considering that we have the resources to provide prompt and expert emergency treatment, in my mind, Mr. Speaker, there is no reason to delay further in the passage of S. 504. In vetoing this measure, the President suggested that this has been traditionally an area of State and local concern and that the problem should be left up to officials at the local level.

The truth, however, is that many political entities simply do not have the necessary resources to do the job, and I believe it is altogether necessary and proper that the Congress make available the modest levels of assistance recommended in S. 504—particularly in light of the fact that it specifically provides for control by State and local governments and private nonprofit groups who will be responsible for planning, establishing, and improving emergency medical services.

Too many lives are at stake. We can no longer in good conscience look the other way and ignore the pleas of concerned officials who have asked the Federal Gov-

ernment to help them provide up-to-date emergency medical service to meet the needs of a great nation.

Mr. LEGGETT. Mr. Speaker, I have in my hand President Nixon's veto message on the Emergency Medical Services Systems Act. I think we can fairly summarize his objections to the emergency health program with these two points: First, this is a matter for State and local—rather than Federal—jurisdiction. Second, it costs too much.

I suggest neither position is tenable.

First, let us consider the question of jurisdiction. In most cases I believe the more local control the better. But this is one of the exceptions to the rule. A man with a coronary attack, or with an artery cut and spurting from an auto accident, needs the same kind of emergency treatment in California that he needs in Maine or Alabama. There is no such thing as local emergency medical treatment; there is only good treatment and bad treatment. If we leave this up to States and localities, we will have some good programs and some bad ones. If we make it a Federal grant program we can impose Federal standards to see that the equipment and training is first-rate everywhere. And we can insure that the results of the latest research will be promptly disseminated to and incorporated in emergency facilities all around the country.

Second, there is the cost question. Mr. Nixon says $185 million over 3 years "is far in excess of the amounts that can be prudently spent." In his state of the Union message he tells us we cannot free up funds by cutting the military budget because "we are already at the razor's edge in defense spending."

I say anybody who tried to shave with this razor would wind up with a face like a pepperoni pizza. Look at our top-heavy, tail-heavy, mission-light force in Europe as an example. In these pleasure spots of the world we have proportionately more generals and admirals than we had at the peak of the hot war in Vietnam; we have more than three times the proportion we had when we were winning the hot war in Europe 30 years ago. Our ground fighting force of 64,000 men is buried in the blubber of 253,000 support troops and another 250,000 dependents. We could finance the entire emergency medical program with a fraction of 1 percent of the cost of our European commitment: a cut which would have no military effect and which would leave us continuing to meet our full NATO commitment, unlike any of our allies who are NATO's principal beneficiaries.

Mr. Speaker, today I believe some Members may vote in response to an undercurrent issue unrelated to the merits of the bill. Administration lobbyists are saying the President needs support at this time when his popularity and prestige are at the bottom of the Grand Canyon. I say I would like nothing better than to have Mr. Nixon redeem himself from Watergate by the doing of good works. But this veto is not a good work. If he plants his flag on the high ground and calls to Congress and the American people for their support, he can expect to receive it. But if he adopts an unworthy cause, as he did with Haynsworth and Carswell and as he does today, he cannot and should not expect support.

The committee estimates, and President Nixon does not dispute, that this bill will save 60,000 lives per year, which works out to a cost of $1,000 per life. We rarely have the opportunity to buy so much for so little.

When a pilot was downed in Vietnam, on many occasions we would rightly expend tens of thousands of dollars in fuel and munitions and risk millions of dollars worth of aircraft to rescue him. Today we have a chance to save in 1 year more lives than were lost in the entire course of the war; we can do it for the cost of a single C–5 airplane.

When Apollo 13 ran into trouble, the President canceled all White House parties and the Nation held its breath for 4 days hoping for the survival of three men. We would rightly have spent millions of dollars to save them. During those 4 days more than 300 Americans died who would have lived had the facilities provided by this bill been available. These were people who had decades of healthy lives ahead of them, which they lost because we had not spent the necessary $1,000 per head. They died, unnoticed by President or media, because death in such situations was a part of the American way of life.

If Mr. Nixon has his way, it will continue to be part of the American way of life into the future. I do not question his motives, but I must condemn his judgment. The life of an American citizen is worth more than $1,000. This veto should be overriden.

Mr. SKUBITZ. Mr. Speaker, it is my purpose to vote to sustain the President's veto on the emergency medical services systems bill, S. 504. I shall do so for the same reason that I voted against the measure on its original passage, namely that through a parliamentary device of a rule that waived points of order, an amendment was attached here on the Floor that had little or nothing to do with bringing emergency health services to people who need such help.

That amendment to maintain a number of Public Health Service hospitals was never considered in our Interstate and Foreign Commerce Committee. I never voted for it nor would I have. In my judgment, the procedure followed in this instance was bad legislative practice and I so indicated by my vote against the amended bill.

If the President's veto is sustained, and I trust it will be, I intend to support the bill introduced yesterday by my colleague, the gentleman from Minnesota (Mr. NELSEN) and a number of others. It is identical with the bill I originally supported and voted for in committee. It carries out my view that emergency medical services should be made available and particularly to rural areas and smaller communities. I believe that the administration supports such a policy and most certainly I do and will so vote.

Let the issue relating to our Public Health hospitals stand on its our merits. Let the committee hold hearings, present the facts, and then let this body make its determination.

Mr. PODELL. Mr. Speaker, while no one doubts the very real benefits of medical discoveries and scientific advances we too often neglect the necessary steps for using our increased knowledge and for bringing its benefits to the public. The Emergency Medical Services Act is a key step in remedying this. Tens of thousands of Americans die each year not because the medical knowledge to save them is unavailable but because the knowledge is not used.

Traffic accidents have become part of the American way of life as every holiday we listen to the latest death tolls as though they were new sports records. Current traffic fatality figures are at the rate of 55,000 a year and this is less than half of the death rate for all accidents. Literally millions suffer significant injuries each year. Hundreds of thousands suffer fatal heart attacks.

This enormous loss of life can be sharply cut and many serious injuries alleviated if immediate medical attention is available. Reliable estimates are that 60,000 lives could be saved annually by an adequate system of emergency care.

Unfortunately such care is all too often the exception. High percentages of ambulances are insufficiently equipped, ambulance drivers poorly trained, and hospital emergency rooms inefficient. All too few doctors are involved full time in emergency care.

The bill before us is a necessary and effective step toward meeting this problem. It will stimulate planning, research and action for regional emergency care programs. If we reject it we will not save the country money but will only prove our preference for grand schemes and future promises while we ignore the demands of the present.

Legislation for emergency services was recommended by the administration, though Mr. Nixon has now turned his back on the problem. The $185 million authorized is not excessive; in fact it is a modest amount in terms of the scope of the problem, and other Federal expenditures.

If we sustain the President's veto we will be setting a pattern for the type of compromise the President has requested. The President could in the future veto all legislation he dislikes and Congress would provide the compromise by backing down.

However I do not ask the House to override the veto as a show of strength, but to preserve an important and worthwhile bill, a bill we have already passed once by an overwhelming margin.

The quality of health care available to all citizens is at stake.

Mr. HUDNUT. Mr. Speaker, it is my hope that the House will vote to sustain the President's veto of S. 504, the Emergency Medical Services Act of 1973. As a cosponsor of the original bill reported by the Subcommittee on Public Health and Environment, I have reached the decision to vote to sustain the veto reluctantly and after much consideration.

While I believe there is a need for additional aid to State and local governments as well as to organizations such as volunteer fire associations and rescue

squads to assist them in their efforts to remove the barriers that prevent the citizens of this Nation from having prompt access to effective, efficient, and acceptable emergency medical services when needed, I feel the nongermane amendment which was added directing the Secretary of Health, Education, and Welfare to continue operation of the in-patient facilities of the eight general hospitals presently maintained by the Public Health Service makes this measure unacceptable.

According to information available to me, the Public Health Service hospitals are outmoded in some instances and the number of individuals they serve is declining. They have a good record of service to this Nation, and especially to merchant seamen; nevertheless it is clear that they have outlived their usefulness so far as in-patient services are concerned. Therefore, to provide continued care for those now served by these hospitals, the Department of Health, Education, and Welfare has embarked upon a program of contracting with community hospitals. The fact is that many of our community hospitals are more modern, better equipped and more conveniently located than the Public Health facilities and thus would provide better medical care.

I have joined in cosponsoring a new Emergency Medical Services Act which we feel meets the President's objections to S. 504 and at the same time provides a better method for getting needed assistance to the appropriate areas. If the veto is sustained, I am hopeful that immediate action will be taken on the new bill.

Mr. DOWNING. Mr. Speaker, Virginia's Public Health Service hospitals serve more than 90,000 beneficiaries, citizens to whom this Government is obligated by law to provide medical service.

To fail to override this veto would be to deny this service to these citizens.

The Department of Health, Education, and Welfare commissioned a survey in the Tidewater area which it funded in the amount of $42,000. Here are the highlights of that survey:

First. There is no sponsor available to convert this hospital to community use.

Second. There are few or no physicians willing and able to provide service under contract.

Third. There are no hospitals in our immediate area or as far away as Richmond—90 miles—that can obligate facilities to provide in-patient and out-patient care for these citizens.

In short, the administration is willing to contract out this obligation at a greatly increased annual cost but HEW knows that the manpower and facilities are not available. Still it says "close these hospitals."

Close them if you will, condemn 90,000 Americans to suffering and this House to shame.

I say override.

Mr. PRICE of Illinois. Mr. Speaker, one of the most deplorable aspects of the current crisis in health care is the shortage of emergency medical facilities. To deal with this shortage the Emergency Medical Services Act was passed overwhelmingly by both Houses of Congress only to meet with a Presidential veto on August 1.

The veto was justified in part on the ground that emergency medical services are traditionally a concern of State and local governments. This seems small reason for failing to provide adequately for thousands of Americans who will be in need of emergency care each year. The same logic would suggest that a parent should not save his drowning child simply because the child had always managed to struggle ashore in the past.

It should be all too clear by now that States are unable to shoulder the burden of emergency medical services alone. In no other area are Federal funds needed more, and to say that the Federal role should not be enlarged in this case demonstrates not only rigidity of thought but also hardness of heart.

Federal support of emergency medical services, which involves human lives and human suffering at the most immediate level, is not an issue to be fashioned into the rope for an ideological tug-of-war between the President and Congress. The man or woman who lies in a crowded emergency room waiting in pain for treatment cares little about the respective merits of opposing theories of federalism.

If we must have a showdown over the proper role of the National Government, let it be over a matter of less impact on basic human needs.

The Emergency Medical Services Act has been endorsed by esteemed associations of medical men, including the American College of Emergency Physicians, the American College of Surgeons, and the American Hospital Association. Members of these organizations realize better than anyone the need for Federal aid.

Mr. Speaker, as we vote on overriding the veto of the Emergency Medical Services Act, I suggest that we ourselves face an emergency of sorts. We must not stop short in our efforts to assure every American a long and healthy life. We must continue working to establish a high standard of health care, which unquestionably requires adequate emergency services. I urge that the veto be overridden.

Ms. BURKE of California. Mr. Speaker, the passage of the Emergency Medical Services Act is one of the most important actions this Congress can take to assist in providing better medical attention to many of our citizens. The passage of this act really must transcend partisan considerations because it will probably do more to cause lives to be saved in the short run than most medical bills that will come before the Congress this year.

I rise in strong support of this bill not out of a feeling of duty to a partisan purpose, but out of the knowledge and the evidence and the conviction that the emergency medical service concept is a viable and effective way to save many lives; it is a program that with Federal assistance can and will operate efficiently all over the Nation.

I have witnessed the development of the Los Angeles County emergency medical program since the authorizing State law was passed in 1968 while I was in the California Legislature. Los Angeles County quickly took advantage of this law to reorganize and retain its disconnected emergency medical services which competed with 77 cities, some of which had their own programs. All this was done without Federal money to show what could be done with it.

The guiding concept in Los Angeles has been to train competent paramedics "to take the hospital to the patient." This means 5-week training programs to teach ambulance drivers to administer intravenous fluids, to give intramuscular injections, to defribulate a heart attack patient, and to insert a tube in the air passage of a choking patient.

If any of my colleagues have talked with their city or county officials in charge of emergency medical services, I am sure that they have been told of the great interest in this program. At last, under this bill, local officials are given the means to increase the quality and training of their ambulance personnel as well as to deliver necessary medical services to the patient in immediate danger. Moreover, it now gives them an opportunity to organize their emergency medical services across city and perhaps county lines and even to develop the capacity to respond to medical needs caused by a natural disaster, such as an earthquake, flood, hurricane, or fire.

In Los Angeles, 286 active paramedics stand ready to serve the county who have been trained to deliver emergency medical services. Fifty are trained every 5 weeks. Many of the independent municipalities have stated in writing that if there were Federal money available, they would place their drivers in training. These are the smaller cities which cannot afford to lose their medical personnel for a 5-week course without having to pay others for the overtime work needed to pick up the missed work schedule for the trainees.

In Los Angeles, these cities which have not taken advantage of this program include Compton, El Segundo, Palos Verdes Estates, Lynwood, Downey, Montebello, San Gabriel, Santa Monica, Pico Rivera, Whittier, Glendale, and many others. Many of these cities have stated to Col. Gaylord Ailshie, director of the paramedic program for the county of Los Angeles, that they want very much to participate, but just do not have the necessary funds at the present time; with this demand, it is therefore difficult to understand the President's contention that the modest yearly sum of approximately $60 million "is far in excess of the amounts that can be prudently spent."

It is ironic that at a time when effective delivery of health care is of high priority to President Nixon that he vetoes this bill which is a practical way of providing part of the total health needs of the Nation. It is paradoxical that the administration should assume responsibility for all health care coverage by developing its own national health insurance bill while at the same time refusing to support the most urgent health need of all, emergency medical services.

Moreover, President Nixon identified

emergency medical services as a major health need on January 20, 1972, in his state of the Union address. Yet since that time the President has argued that no new funds or legislation are needed to respond to the unnecessary loss of lives because of inadequate emergency care.

In his recent veto message, the President has stated that the Federal Government should not be thrust "into an area which is traditionally a concern of State and local governments." Now, one has to wonder just what commitment the President is really making to insure that adequate emergency health care is a national priority and not left to the overburdened budgets of the States and municipalities.

What is the supreme irony of all is that the emergency medical program of Los Angeles County actually saved the life last month of this country's only living five star general of the Army, Gen. Omar Bradley. In a letter dated August 14, 1973, Kitty Bradley acknowledges the vital service which was performed for her husband when he was stricken. She says, and I quote:

> Gallantry in motion is the one phrase that comes repeatedly to mind when I recall your response to my call for help. There is no question whatsoever that you gentlemen saved my husband's life. Thank you.
>
> How mild those words are when measured against the depth of my gratitude to each and every one of you.
>
> KITTY BRADLEY.

That letter is moving testimony of a citizen to the value of the emergency medical program. But the practicing medical community has also acclaimed the critical value of this program. Dr. Elliott Corday, past president of the American Heart Association and a member of the President's health care panel, has stated that in the first 9 months of the operation of this program, in his area of practice, 30 patients owed their lives to the emergency medical services program.

I would think that this evidence is ample proof of the medical value of this program and the general interest of cities across the country in it. Under this bill, the Federal dollar is stretched a long way to directly apply medical knowledge to save lives.

Mrs. HOLT. Mr. Speaker, I rise to express my support for overriding the President's veto of S. 504, the Emergency Medical Services Systems Act. A cursory review of the magnitude of accident-related deaths in the United States clearly demonstrates the need for improved emergency health care procedures.

The bill before us today will establish a grant program for the training of personnel in emergency procedures and for the purchase of necessary equipment. The price tag of this proposal is a modest $185 million over a 3-year period. Far from being a "budget-busting" piece of legislation, I think this bill contains a reasonable authorization for a program whose results cannot be assigned a dollar and cent figure.

In addition, it will prevent the closing of Public Health Service hospitals without legislative authority. The PHS hospital in Baltimore, which adjoins my district, has a long history of providing quality medical care. Currently it is functioning as a general medical-surgical facility with extensive training and research programs. The Cancer Research Center located at this institution and its continuing education program for health professionals have greatly contributed to the outstanding reputation of the Baltimore PHS hospital.

Expressions of support for this bill have been voiced by a wide range of groups including veterans organizations, labor unions, and medical services organizations. I hope my colleagues will join with me to override the veto of S. 504.

Mr. ANDERSON of Illinois. Mr. Speaker, unlike so many other issues we have faced in recent months, the resolution before us today does not involve any question of congressional rights, powers, or prerogatives. Indeed, the issue is quite the opposite: Having succeeded in demonstrating our determination to reclaim the rightful congressional role in national policymaking, the question now is whether or not we are equally prepared to assume the responsibilities of governing.

May I remind my colleagues that the right to share fully in the great decisions of war and peace and the setting of national priorities brings with it a commensurate responsibility to face the tough choices and make the difficult trade-offs that inevitably arise in a nation of such diverse interests as ours, and one in which claims on our limited resources far outstrip our ability to provide for them.

I do not dispute the need to initiate a new Federal effort to upgrade local emergency medical services. The current local patchwork system is so woefully inadequate that we have little choice. I would also point out, however, that in the days and weeks ahead we will be confronted with costly legislative proposals designed to ameliorate no less urgent problems in many other areas: Start-up assistance for HMO's, mass transit aid, land use planning assistance, a new housing program, a bail-out for the ailing Northeast railroads, to cite only a few examples.

Yet, in light of the dire budget outlook for the next 5 years or more, I would simply ask my colleagues how in the world can we expect to make progress in all of these areas, how can we expect to incur major new budgetary obligations for the problems of health care, transportation or housing if we are utterly unwilling to search for economies or more efficient means of accomplishing objectives among the vast panopoly of programs we already have on the books?

Have we become so bedazzled by the simplistic notion that changing national priorities involves nothing more than reallocating a few billion from the military budget to the domestic areas that we have lost sight of the complicated, vexing issues really involved? Have we become so accustomed to piling layer upon layer of new programs on the old that we have forgotten the Federal Treasury is not an inexhaustible source of booty?

I will not pretend the proposed phaseout of inpatient services at these seven public health hospitals will save funds of the magnitude with which we sometimes deal, or free up vast new revenues for initiatives in some of the areas I have just mentioned. But I must nevertheless insist that the savings would by no means be negligible, and that the proposed contract payment system for hospitalization services would be far more economical than the current system.

According to the HEW, the costs of contracting versus direct provision of services would be nearly comparable on an operating basis. Yet to continue the current PHS hospital system, and provide the quality care to which beneficiaries are entitled, would require capital outlays of almost $50 million. In light of the obvious economies of moving to a contractual system why is it that some Members of this body seem ready to stand like Horatio at the Bridge to preserve an outmoded, archaic, and inefficient system? Is the PHS hospital system so sacrosanct that we must refrain from publicly admitting it has outlived its usefulness?

Moreover, it is not as if a successfully operating system has been suddenly subjected to the arbitrary whim of the OMB meat ax. At least three previous Presidents have recognized the need for a new approach and since 1943—for the last 30 years—we have been gradually closing facilities and reducing the caseload. Since 1943 more than 20 public health hospitals located all across the country—in Key West, Fla., Pittsburgh, Cleveland, Chicago, and Detroit—have been closed due to obsolescence, excessive costs or declining patient loads. Just since 1967, the average daily patient load has declined by more than 25 percent, and in the case of some of the facilities involved, by almost 50 percent—Baltimore.

No one is proposing that the seaman and other beneficiaries involved be callously dumped out into the streets, or that the outpatient services provided to the communities in which these facilities are located be abruptly terminated. What has been proposed is simply that we find a more economical means to provide these services and that the quality of such services be improved in the process.

I know a great campaign to save the PHS hospitals has been launched, that intense pressure has been brought to bear on many Members of this body, and that the press has blown this question into an executive-congressional test of power far beyond any relationship to the substantive issues involved. But let me say that if we truly do want to reinvigorate this institution, if we genuinely desire to redress the balance of power between the two branches, then we had better get used to such pressures.

The current campaign to save the PHS hospitals is parochial in motivation and has thrived on the worst kind of distortion and misinformation; it represents a misguided effort to freeze the status quo which has nothing to do with the best interests of either the beneficiaries of the system or the taxpayers of the Nation.

The President was absolutely correct in vetoing the EMS bill because of the ill-advised PHS amendment; an amendment which was appended on the House floor without either committee consideration or debate. Therefore, the test today is

not between the executive and the Congress, but is a test of the Congress itself. If we want to gain more than the mere fleeting, painless trappings of power and, instead, assert a permanent, substantive role in national policymaking, then we must be prepared to bear the responsibilities of governing, and to forego the temptation to yield to political expediency. I hope this House proves sufficient to the test. If it does not, the encouraging progress of the past few months may prove hollow and short-lived indeed.

Mr. HORTON. Mr. Speaker, I have given a great deal of thought to the vote that confronts the House of Representatives this afternoon, as to the fate of the President's veto of the Emergency Medical Services Act which we adopted before the August recess.

I voted in favor of the Emergency Medical Services Act both last year, when it was before the House in October, and earlier in this session when we adopted it for Presidential signature.

I must admit that initially, I was disappointed with the President's veto of this bill, because I feel strongly that for the relatively small amount of money involved in this program, $185 million over a 3-year period, we can do a great deal of good and save hundreds or thousands of lives by applying the skills, systems and technology available in the field of medical emergency care to areas which do not presently benefit from these techniques.

I have explored the reasons for the President's veto quite deeply, and I find that the principal administration objection to the bill is its inclusion of a nongermane amendment, which was adopted by a voice vote, which would force the administration to reverse its plans to close several Public Health Service hospitals. I understand that of the hospitals originally slated for closing, all but one on Staten Island, has been able to make adequate and acceptable arrangements for care of its patient population with other hospitals located in the communities they serve. Once it was learned that such arrangements could not be made for the care of the patients at Staten Island Public Health Service Hospital, the decision was made to continue that facility in operation. In my opinion this was a wise decision, and the only one that could have been made under the circumstances of a hospital bed shortage currently facing the New York City area.

I further understand that some groups, notably veterans organizations, are fighting the President's veto of this bill because they feel the closure of some PHS hospitals is a first step toward the elimination of some Veterans' Administration hospital and medical facilities. I questioned the White House quite closely on this charge, and I have been assured that there are no plans or intentions to close VA hospitals.

Furthermore, I understand that if the veto is sustained by us today, the President will sign a bill which contains the program for Federal support of emergency medical services, but which does not tie his hands on the closing of these Public Health Service hospitals.

Based on this assurance, which I have received directly from the White House, I have decided to sponsor Congressman ANCHER NELSEN's bill to establish this emergency medical services program, which I understand has an excellent chance of being considered and reported quickly, and to vote to sustain the veto of the original bill, because of its provision requiring the continuance of these hospitals.

Mr. MEEDS. Mr. Speaker, I rise to challenge President Nixon's veto of S. 504, the Emergency Medical Services Act. I urge the House to override this veto, because it is a tragic misreading of American priorities.

A more direct case of cutting human needs in order to spend more on military hardware could not be imagined. Here is a chance to save up to one in five of our 55,000 automobile fatalities each. Here is a chance to save 1 in 10 of the 225,000 coronary attack victims each year. By approving this bill we can help save the lives of gunshot victims, poisoning victims, the lives of thousands of Americans who suffer traumatic injuries—and die for lack of rapid, trained treatment.

Speedy evacuation and treatment of combat wounds in Vietnam saved thousands of lives. The rate of combat deaths from wounds in Vietnam was the lowest of any war in which we have participated. Why can't we use these techniques—and some of the personnel—to save the lives of our relatives and friends who die unnecessarily on the highways?

We can use these techniques and fund other emergency services for $60 million a year. This cost pales along the huge Pentagon budget. This bill can save 60,000 lives a year—all for the cost of only five F–111 fighter-bombers in the Pentagon budget. It could save more lives in 1 year than we gave in 10 years of involvement in Vietnam.

Seattle's Medic I emergency medical services program has shown what can be done with rapid, properly trained care. The University of Washington has underway programs to aid development of properly equipped hospital emergency rooms to handle trauma patients. Yet the veto of this bill would end these promising programs—and close Seattle's Public Health Service Hospital.

As a member representing a district of small cities and rural areas, I am acutely aware of the problems in getting emergency medical aid outside urban areas. We must not abandon accident victims simply because their misfortune took place on a country lane—not across the street from a hospital.

Mr. Speaker, I urge my fellow Members to override this thoughtless veto.

Mr. GILMAN. Mr. Speaker, while I support the basic objective of improving our emergency medical services, I rise in support of sustaining the President's veto of S. 504, the emergency medical services program.

This bill, along with its nongermane amendment prohibiting the Department of Health, Education, and Welfare from closing Public Service Hospitals, has been grossly misunderstood.

In the President's veto message, two objections to this measure were emphasized: First, the bill provides $185 million for a national system of emergency medical services as compared to $15 million budgeted for these purposes; second, the administration recommends phasing out seven of the outmoded Public Service hospitals and substituting contracting services for these patients at community hospitals.

As the House approaches a final decision on this veto measure, we are confronted with a totally new proposal. The President has given assurance that he will remove his objections to the emergency medical provisions of the measure if the Department of Health, Education, and Welfare is allowed to proceed to contract out the services now being provided in seven Public Service hospitals.

Mr. Speaker, this offer of compromise on the part of the administration should fall on welcome ears.

We urgently need an expanded emergency medical services program, particularly in the rural sections of our Nation. Accidents account for the fourth largest death toll in our United States, often terminating lives at the height of their productivity.

Accordingly, I have joined Congressman HASTINGS in introducing an emergency medical bill identical to the one passed earlier by the House and now under consideration as a portion of the bill before us; a measure which the administration guarantees to be acceptable.

This new measure which we have introduced and which we hope will be given priority consideration by the Interstate and Foreign Commerce Committee provides $185 million over a 3-year period in grants to local communities for improved emergency medical services. By giving a Federal thrust to this formerly neglected health need we will be taking some real steps forward in meeting crucial health needs.

I would not be able to sustain the President's veto if I had not been assured that the emergency health provisions in our bill would be acceptable and the Staten Island Public Service Hospital would remain open. The Staten Island Public Service Hospital is an exception to the rule since it has a reputation as the largest and most effective of all of our Public Service hospitals. Keeping that hospital open assures adequate medical care for the seamen and military men in our region, since there are insufficient community hospital services in that area.

The contracting out of inpatient services in the seven other Public Service hospitals in the Nation is a constructive effort of seeking better health care for those patients.

HEW reports its intention of contracting with hospitals in communities closer to the homes of those seamen and others who are now being serviced by Public Service programs. These efforts are intended to provide better care, in more modern and well-equipped hospitals at locations more readily accessible to the homes of those afflicted individuals.

Such improved accessible services in community hospitals should not only provide for better and more extensive care, but also render that care through a more economical method.

Public Service hospitals will soon suffer a serious shortage of doctors and

paramedicals due to our new all-volunteer Army concept. The expense of hiring new staff is an onerous burden—contracting out of patients to be cared for in the modern and effective hospitals closer to their homes promises to provide better care, at less expense to the taxpayer.

For these reasons, by sustaining the President's veto, we will be getting the best of both worlds:

First. We have been assured that the administration will support an effective and extensive emergency medical program;

Second. We have the assurance of keeping open the largest and most efficient Public Service Hospital at Staten Island, N.Y.

Third. Those patients formerly served by outmoded Public Service hospitals in seven major cities across the country will now be able to receive treatment in modern, community hospitals closer to their homes.

Accordingly, I am not only supporting the President's veto but I am inviting and urging my colleagues to support our new emergency medical services bill, H.R. 10175.

Mr. GOLDWATER. Mr. Speaker, we do not have to be reminded that the President's veto of the emergency medical services bill was politically an unpopular move for him. I can assure my colleagues that as a strong supporter of expanded emergency medical services, I certainly do not relish the idea of voting to sustain that veto.

Yet, Mr. Speaker, sometimes we must look beyond the political ramifications and ask ourselves, on the balance, what is the proper course of action in restoring our national economy to some semblance of fiscal sanity? I submit that the answer lies in working with the President to hold the line on increased Federal spending, which is the principal cause of inflation.

There is much in the bill before us to recommend it. After all, since the Federal Government started getting involved in the health business, emergency medical services has really not fared too well in competing for the Federal health dollar. Nevertheless, I am not convinced that the creation of another new categorical program is the answer, especially in view of the cost involved. This approach invariably leads to topheavy dependence on the Federal Government for funds in an activity that traditionally is local in nature, and it tends to duplicate much of the existing authority in the field of EMS.

Another point about this bill that bothers me is the method by which it has been brought to the floor for debate. I am a member of the Interstate and Foreign Commerce Committee, and the matter of U.S. Public Health Service hospitals was not discussed by the committee when we considered the EMS bill. While not a member of the Public Health and Environment Subcommittee, I am informed that the subcommittee did not discuss this phase of the bill either. It seems to me that if the bill is to be germane, the question of the Public Health Service hospitals should be taken up separately.

I am very hopeful that we can work out a program in conjunction with the White House to expand EMS at a level that is consistent with current budget priorities. EMS is vital, and it should be continued as a cooperative venture between local and State government and the Federal Government. The President discussed this in his state of the Union address last year, and I know that he and this administration will work with us to improve EMS at a level of funding that is not excessive. The distinguished ranking minority member of the Health Subcommittee has indicated as much.

Whatever the amount of Federal funding for EMS, I must warn that this is not a panacea for solving the basic problem connected with EMS. Many States, including California, have made great strides in formulating an EMS program that works. Several States, including California, have already received Federal demonstration contracts for EMS. But, these programs are only as good as the actual time involved in the emergency rescue operation, especially in high density areas when accidents or natural disasters occur and which threaten the loss of many lives.

It has been proven that one of the most effective ways of providing EMS in such situations is the use of the helicopter. This concept has already proven itself over and over in the case of a major highway accident in which it is virtually impossible to get a surface EMS vehicle to the accident scene when traffic is backed up. I have long argued that we have many serviceable helicopters used by the military in Vietnam, and which are now idle, that could be used for this purpose. A good example of the cooperative venture that I mentioned earlier would be an arrangement between the Department of Defense and the States to provide these military vehicles on a permanent loan basis for EMS. After all, the taxpayers have already paid for the helicopters.

I personally feel that if the House sustains the veto it will in no way hamper the progress made in EMS. We can work with the President in finding a middle ground that provides flexibility in EMS while at the same time coordinating the effort at a reasonable cost. I, for one, will certainly work toward that end.

Mr. HARRINGTON. Mr. Speaker, I rise to urge that the House vote to override the President's veto of S. 504, the Emergency Medical Services Act of 1973.

There is little need to further document the fact that millions of Americans have inadequate access to efficient and basic medical services. Whether they are rich, poor, or somewhere in between, and regardless of whether they live in cities, suburbs, or rural areas, Americans often find it difficult to get prompt attention, in locations accessible to them, for injuries like broken bones, heart attacks, strokes, auto accidents, sporting accidents, and poisonings. The problem of effective "delivery systems" has perplexed medical reformers for years. It is regrettable, but true, that the present ordering of priorities for medical services often permits the medical establishment to install expensive, prestigious, but rarely used transplant units in a hospital before it provides inexpensive, often used, but unprestigious units to dispense emergency treatment in less centralized locations.

The Emergency Medical Services Act is designed to fund services such as medical "hot lines," adequate ambulances, and properly staffed emergency rooms for communitywide use. It would do so by providing financial assistance to either public or nonprofit entities for the design of such services.

Because such systems are in varying stages of development in different areas, the bill provides three funding mechanisms. Individual planning and feasibility grants would be made in amounts determined by the Secretary of Health, Education, and Welfare, with the final report to be delivered within 1 year. Establishment and initial operation grants would be limited to 2 years, with 50 percent Federal matching in the first year and 25 percent in the second. Expansion and improvement grants for existing but limited systems would be available in amounts not to exceed 50 percent of the costs of the project. The bill also provides grants to medical schools and other educational institutions for research and training in emergency medical care. The bill authorizes $185 million over the next 3 fiscal years. The measure also prohibits the closing of eight Public Health Service hospitals unless the Department of Health, Education, and Welfare can demonstrate to Congress in each case that beneficiaries will receive equal or better care.

In his veto message, the President stated his opposition to the bill on the grounds that it would create a new categorical aid program in an area "which is traditionally a concern of State and local governments and should remain under their jurisdictions." This is another area in which the administration has opted to give the States and localities responsibility for provision of services without giving them the means to fulfill the responsibility. To accept this argument would be to accept the "new federalism" in empty gesture only.

This veto, Mr. Speaker, is a "cheap shot" designed by the administration to dramatize" fiscal responsibility" and lay blame on Congress for our current economic woes. In fact, if the veto is sustained, people will die because we have failed to provide adequate emergency service. In my book, human life should not be used as a pawn for public relations purposes. Human life is the real subject of the debate today and my vote is to override this veto and save lives.

Mr. ROSTENKOWSKI. Mr. Speaker, much has been said in this Chamber today about the need for economy in Government, about the need for Congress to act decisively to control inflation. This is indeed a noble and praiseworthy thought. But it is definitely not a new one. The Appropriations Committees of both Houses of Congress have successfully reduced the administration's budget requests in many areas. But I feel that this is one area in which the Congress must draw the line.

The President's veto message states

that the Emergency Medical Services Act of 1973 would authorize the expenditure moneys far in excess of what can be prudently spent. It appears that the President believes that it is necessary to trim his budget by spending only token amounts on "demonstration" emergency health projects rather than providing local communities with the means to develop effective "working" emergency health projects that are so desperately needed.

Without further prolonging the debate on this matter, I would just like to associate myself with the remarks of so many of my colleagues who have expressed their intention to vote to override the veto. I support their efforts and shall join them in casting a vote for substantive health services rather than token demonstration projects which do little to better the actual health of our people.

Mr. BROOMFIELD. Mr. Speaker, I rise to announce my support of the veto of S. 504. I object to the method by which this legislation would deliver emergency medical funds to local governments. Once more Washington would step in and dictate how, when, and where these funds should be spent. By employing a narrow, categorical grant approach, the experience and advice of local officials would be shunted aside in favor of one homogeneous and monolithic approach.

Unfortunately, solutions are not quite that simple. Emergency medical services traditionally have been within the jurisdiction of State and local governments. Local officials do not need Washington to tell them what their problems are and how they can best be solved.

President Nixon has for the past 2 years committed the Federal Government to a program of research and development. The idea is to have Washington undertake a position of leadership by developing and exploring a whole range of medical service alternatives.

From these, local officials can then pick and choose, tailoring Federal suggestions to their particular and unique needs.

Second, this measure requires the continued operation of eight Public Health Service hospitals which are now outdated.

In the interests of providing the best possible care, HEW has already arranged for more efficient and modern treatment in community hospitals in seven of the affected cities.

In 1969, the Detroit Public Health Hospital was closed under the same circumstances. The State has taken over the facility and now uses it for mental health and drug abuse treatment. In short, the total health care capability of Metropolitan Detroit has been improved by this long overdue consolidation.

Mr. Speaker, I urge the House to sustain this veto. Our first priority should be to draft emergency medical service legislation with a flexible delivery system designed to maximize results and without forcing the Federal Government to operate substandard hospitals.

Many communities, including those within my own district, have a real and legitimate need for emergency health care systems. Ambulances, paramedical training, and comprehensive disaster control plans are desperately needed. We should pass a bill which will allow local officials, who are familiar with these needs, to proceed promptly and freely in the interests of the health and well-being of their constituents.

Mr. CLEVELAND. Mr. Speaker, I rise in support of the President's veto of S. 504. While I voted for the measure on initial passage, I take the position that a veto in the interests of spending restraint poses an issue entirely separate from the merits of a specific piece of legislation. This is particularly the case when we in the Congress have yet to adopt reforms which I am cosponsoring to equip ourselves to produce a legislative budget and meet our responsibility for setting priorities. At the same time, I wish to emphasize that the choice before us is not whether to encourage emergency medical service improvements or not, in that great progress is already being made in this field under the Highway Safety Act.

PUBLIC BACKS SPENDING CURBS

Top priority must be given the curbing of inflation and its threat to our standard of living. Extraordinary distortions in the demand-supply situation in agricultural products aside, we cannot escape the fact that excessive Government spending remains a prime factor underlying inflation. To continue to allow prices to rise unchecked or to burden our citizens with higher taxes would further erode purchasing power. The people recognize this, or those in my congressional district at any rate. Preliminary responses to my 11th annual questionnaire list the economy as far and away the prime concern. Moreover, preliminary tabulations indicate that my constituents favor by a 2-to-1 ratio the reduction in existing programs as an alternative to higher taxes.

The question of the bill's overlapping of existing efforts merits elaboration. The Congress has rightly recognized that some duplication exists in programs already on the books. The 1-year extension of basic health programs earlier in the session, which I supported, was intended to provide the Congress an opportunity to review and restructure the programs involved. This body also voted to extend biomedical research and training activities, on grounds the existing program had proven its worth. Again, I supported this measure and joined in the successful effort to persuade the administration to reinstitute support for this type of activity. But the program before us today, by contrast, represents a new categorical program whose duplication is recognized at the outset.

HIGHWAY SAFETY ACT IMPROVES SERVICE

One of the main arguments in its support is the provision of emergency aid to victims of traffic accidents. I yield to no Member of this body in my concern for traffic safety programs, greatly expanded this year under the Highway Act, and incidentally funded largely from the much-maligned highway trust fund. With a 3-year total of $2 billion, the authorization includes support for State and community safety programs under 18 national standards, including emergency medical services. The improvement of the level of emergency care related to traffic accidents also serves to stimulate an overall upgrading of emergency services.

The purpose of standard 11 under the act is to provide an emergency care system insuring quick identification and response to accidents, measures to sustain and prolong life through proper first aid both at the scene and in transit, and coordination of the transportation and communications necessary to bring the injured to competent medical treatment without risking further hazard.

Through fiscal 1973 the 50 States and the District of Columbia and Puerto Rico had obligated some $45.5 million for emergency medical services, with almost $12 million being obligated in fiscal 1973 alone. Examples of its impact include Alaska, where prior to the program only about a fifth of the population had access to ambulance service within a 30-minute period. The proportion has since been raised to three-fourths. In addition, 23 Georgia counties which previously had no ambulance service now are served.

NEW HAMPSHIRE PROGRESS CITED

Mr. Speaker, my own State of New Hampshire has steadily improved its emergency medical service. On July 1, 1971, the "Act to Promote Competent Ambulance Service" was enacted, and the following March the director of the Division of Public Health approved regulations for the licensing of ambulance service, the vehicles and attendants.

As of November 1, 1971, 52 percent of the 1,700 ambulance attendants then believed in service had no certifiable, currently valid first-aid training. By now, there are 99 licensed ambulance service organizations or agencies in the State, and 1,777 licensed ambulance personnel. All have received a 26-hour advanced course in first aid, and about half have also taken the Department of Transportation's 81-hour Emergency Medical Technician-Ambulance Course. In addition, there are 174 licensed ambulance vehicles.

Therefore, I would urge colleagues from States which have not done so to recommend that State and local jurisdictions avail themselves of the opportunities under this legislation rather than press for a wholly new program at a time of budget constraint.

In conclusion, Mr. Speaker, I wish to take note of reports that the administration, in a spirit of compromise, has pledged to cooperate in development of an emergency medical services substitute in the event the veto is sustained. I understand that this assurance does not include keeping open Public Health Service Hospitals which have become outmoded or whose inpatient load is declining. The administration at least states a case which should be examined by the Subcommittee on Health and the full Commerce Committee in light of contrary arguments. I regret that normal procedures were bypassed in the process of bringing this issue, that is, the Public Health Service Hospitals, to the floor.

If the veto prevails, I would urge my colleagues on the subcommittee and full committee to examine the progress under the Highway Safety Act and the po-

tential for further improvements in light of our recent action in expanding and strengthening its provisions.

Mr. DONOHUE. Mr. Speaker, I most earnestly hope that this House will override the Presidential veto of the Emergency Medical Services Act that was so recently approved here, on behalf of the American people, by a vote of 306 to 111 and in the Senate by a vote of 94 to 0.

On this score, let me suggest that a conviction, once expressed and in the absence of any new or additional evidence substantially affecting the original determination, should be maintained in order to preserve the integrity of this legislative body and, equally important, in order to retain and strengthen public confidence in the ability and intention of the Congress to fulfill its obligation, especially in this challenging period, to legislatively act independently as a separate but equal branch of our National Government.

The fact of this legislative matter is that the administration has offered no new or additional contradictory evidence to justify the withdrawal of the original House approval of this bill.

The fact is that the most respected professional authorities in this field overwhelmingly advocate the adoption of this measure, over the Presidential veto.

The fact is that expert testimony demonstrates that accidents kill more persons in this country in the productive age group of 1 to 37 than any other single factor and accidents are the fourth most common cause of all the deaths that occur in this Nation.

The fact is, expert testimony emphatically indicates that efficient emergency care could save at least 60,000 lives a year that are now lost because of accidents and sudden illness.

The fact is that the same expert witnesses have unhappily revealed that the present emergency care system in this country is almost totally inadequate for the purpose intended.

By any ordinary impartial objective measure it very clearly appears, Mr. Speaker, that this bill reflects the hopes of millions of Americans for a vitally needed improved level of Emergency Health Care Services; that the comparative cost of accomplishing this wholesome objective is prudent and reasonable; and that the public benefits of these expanded emergency medical treatment facilities would more than offset the cost of the program over the next 3 years.

For these substantial reasons, as well as many others, I very deeply believe the original approval of this bill by this House should be upheld today.

Mr. FINDLEY. Mr. Speaker, I have today joined a bipartisan group of House Members in introducing the Emergency Medical Services Systems Act of 1973. This bill is identical to the bill which President Nixon vetoed except that the controversial provision requiring that eight antiquated Public Health Service Hospitals be kept in operation has been deleted.

Illinois and the Nation need an Emergency Medical Services System, and I am determined to help enact legislation to that end.

Illinois has pioneered in the development of trauma treatment centers. Forty-five such medical centers have been established throughout the State, staffed by 200 specially trained trauma nurses and 4,000 emergency medical technicians. No other State has so many.

Four trauma centers are located in west-central Illinois—at Springfield, Jacksonville, Quincy, and Litchfield. A statewide ambulance coordination system will assure that accident victims or critically ill persons can quickly be taken to the nearest hospital which is equipped to provide the life-giving support needed.

On the way to the hospital, trained ambulance personnel can often take care of immediate medical requirements.

Each year more people die on our Nation's highways than died during the entire 10 years of the Vietnam war. Thousands more die from other accidents and diseases which strike suddenly. Many of these could be saved, and much pain and agony could be spared, if medical services could be more quickly provided. The bill which I am introducing today will do just that.

Dr. David R. Boyd, the director of the Illinois Trauma-Emergency Medical Services project, has written me an excellent letter outlining the Illinois program and urging my support for emergency medical services legislation. I am placing his letter in the CONGRESSIONAL RECORD at the conclusion of my remarks. Dr. Boyd recognizes that—

> The addition of Public Health Service hospitals continuation funding makes this package a very objectionable issue to some.

I agree.

The bill which passed the House and and was vetoed by the President not only provided for emergency medical services, but also required that the Federal Government continue to operate eight Public Health Service hospitals for merchant seamen. These hospitals are old, some are dilapidated, many cannot meet State and Federal code requirements. There are not enough doctors to staff them, and the quality of patient care is suffering. If the Government is required to keep them in operation, it will cost $45 million to modernize them.

Yet, the hospitals located in Seattle, Boston, San Francisco, Galveston, New Orleans, Baltimore, Norfolk are all located in cities that presently have hundreds of unused hospital beds in modern facilities. It makes sense for the Federal Government to move the patients from the antiquated hospitals into other facilities where the medical care they will receive will be at least as good, and probably better, than what they have been receiving. Each and every patient now being cared for or eligible for care will be much better off. And the taxpayers will not have to pay $45 million to modernize these unneeded facilities. The Secretary of Health, Education, and Welfare has determined that the hospital in Staten Island, N.Y., is still needed to accommodate patients in that area, and so this facility will be retained.

For these reasons, I shall vote to sustain the President's veto of the bill which passed Congress and push for early enactment of the bill I have introduced today, which provides identical emergency medical services but does not require the Government to maintain dilapidated hospitals for merchant seamen. Early consideration of this bill seems assured if the veto is sustained, and President Nixon has virtually promised to sign it.

DEPARTMENT OF PUBLIC HEALTH,
Springfield, Ill., August 24, 1973.

Hon. PAUL FINDLEY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FINDLEY: As Program Director for the Illinois Trauma-Emergency Medical Services Project, I feel it is my responsibility to inform you of our efforts and accomplishments over the last two years in Illinois. July 1, 1971, we started our Trauma Program with the designation of Trauma Centers and are now near completion of the Hospital Trauma Net. Last year we were fortunate to negotiate one of the HEW Demonstration Contracts for the development of the Statewide Total Emergency Medical Services System. Our Trauma-Emergency Medical Services Demonstration Project will probably be one of the best of the five that were granted.

This demonstration project has been developed to show the way for future and the rather large anticipated Federal, State and local spending for emergency services. The Illinois Demonstration Contract has allowed us to make significant advances with one-time equipment expenditures, the initiation of training programs and other EMS service coordination efforts. It is the goal of the Illinois Demonstration effort to build local expertise and responsibility for the continuation of this program.

We have just completed a Statewide Program categorization of hospital emergency capabilities in Illinois. This has been done at the local community level with the development of some 43 Areawide Emergency Medical Services service districts with active subcommittees on hospital services, training programs, transportation, communications, public education and program monitoring.

In Illinois there are some 45 Trauma Centers (Regional, Areawide and Local), and three special regional centers. There are professional and paraprofessional training programs being conducted at each of these Trauma Centers and we have trained 200 Trauma Nurses and 4000 Emergency Medical Technicians (EMT–A)—more than any other State. We have two physician residency training programs in emergency medicine (Peoria and Evanston). We are developing a Statewide ambulance strategy for placement of ambulance in Chicago and the suburbs and downstate metropolitan cities and in rural areas which is enclosed.

There are four trauma centers located in the 20th Congressional District, a regional center at St. John's Hospital, Springfield and three local centers at St. Francis Hospital, Litchfield; Blessing Hospital, Quincy; and Passavant Memorial Hospital in Jacksonville. To assist coordination of emergency medical services and support the care of the critically ill and injured patient at these centers, a trauma coordinator is located at each of these hospitals.

The trauma coordinators supervise the instruction of the Emergency Medical Technician-Ambulance course three times a year at no cost to the students. The 82 hour course includes training in basic life support techniques and is open to all ambulance attendants—municipal police and fire personnel and private ambulance operators.

A "paramedic" level course has also been established by Dr. Robert Miller, a Critical Care Fellow at Southern Illinois University in Springfield. This course will provide the highest level of training for ambulance attendants in the State.

These four trauma centers were part of the pilot project conducted before the initiation and implementation of the Trauma Program throughout the State. The communications and transportation systems that have been developed for the State were tested in this region.

A radio console is located at St. John's Hospital and will provide the communications link between the trauma centers and the surrounding hospitals, ambulances and helicopters. This regional trauma center will soon become the central communications center facilitating the transportation and triage of the critically ill and injured patients in this area.

Through the joint efforts of the Illinois Bureau of Emergency Medical Services and the Illinois Department of Transportation, U.S. D.O.T.-approved ambulances have been placed in your district on a matching-fund basis, in support of the total State plan for upgrading ambulance services. This is consistent with the Illinois Statewide Ambulance Placement Strategy. (enclosed)

Our progress for the first year is outlined in our First Annual HEW Report and other special program activities are described in the Journal of Trauma both of which are enclosed. I would like you to consider the progress here in Illinois as a model that the rest of the nation may follow. The existing Emergency Medical Services legislation (S.B. 504) has had considerable input from Illinois. I personally testified for this legislation and assisted in the writing of the Rogers' draft.

The addition of the Public Health Service Hospitals continuation funding makes this package a very objectionable issue to some. However, I feel that the basic intent of the Emergency Medical Services legislation is good and will allow the rest of the nation to develop as we have and will help us to further progress and complete our project here. After the end of our contract the total program will continue, but will cost considerably less to run.

I am not sure of the essential timing of this legislative initiative. We have found in Illinois that considerable strategic planning and researching out of local resources is time well spent. To develop sound systems to support patient care for trauma, acute cardiac, high-risk infants, poisoning and psychiatric problems, your strategy must begin prior to the application for implementation of funds. The Emergency Medical Services non-system, as it existed in Illinois and now exists across the rest of the country can be worsened with the infusion of massive amounts of money. Considerable project planning must be developed prior to the funding of State or regional projects.

It is with this background information that I would appreciate you reviewing the EMS portion of S.B. 504. I am more than willing to discuss our program and the merits of the EMS legislation and the best possible timing for passage with you at your convenience. Also, I would like to invite you to review our EMS program when you are in Illinois or again at your convenience in Washington, D.C.

Sincerely,

DAVID R. BOYD, M.D.C.M.,
Chief, Bureau of Emergency Medical Services and Highway Safety.

Mr. WOLFF. Mr. Speaker, I rise to urge the House to override the President's veto of the Emergency Medical Services Act.

Both the House and Senate have clearly expressed their intent that this legislation become law. It passed both bodies last year, passed again this year and the Senate has already acted to override the President's veto. There is no question in my mind that, if this Congress is to assert its rightful role as a coequal branch of government, the House must follow the example set by the Senate and reiterate its support for this legislation.

With all due respect to the President's views, the Emergency Medical Services Act simply does not fall within the category of inflationary legislation. The $185 million it authorizes over the next 3 years is small in comparison to the cost of accidents alone, estimated by HEW at $28 billion annually in death, disability, and property damage. Far more important, however, is that the cost is miniscule in terms of the number of lives this legislation could save annually, an estimated 60,000 Americans, including 10 percent of our annual coronary fatalities and 15 to 20 percent of our 55,000 annual traffic deaths. This measure addresses itself to one of our most critical health care problems and one which has not received adequate attention—that is, emergency medical care for victims of accidents or sudden illnesses. Studies show that 20 percent or more patients each year could be saved if they had received proper and prompt emergency medical treatment. Currently, emergency medical care varies widely from community to community with no coherent system intact to meet what is becoming an increasingly monumental problem. S. 504 would enable communities to make emergency medical treatment an integral part of their health care delivery systems, and would enable this country as a whole to reduce the number of fatalities resulting from accidents and catastrophic illnesses.

In addition, this legislation prohibits the closing of eight Public Health Service hospitals across the country. Last year, Congress directed the Department of Health, Education, and Welfare to show that patients at these hospitals would receive equal or better medical care were they to be transferred to community facilities and the PHS's closed. Not only did HEW fail to give this proof, but, in violation of the intent of Congress, announced plans to contract for outside medical care and close the Public Health Service facilities. In the long run, HEW's plan could only result in increased costs, particularly with the shortage of facilities and personnel that would be created by a closing of the Public Health Service hospitals.

Mr. Speaker, my own area of New York has one of the largest Public Health Service hospitals in the country. It provides medical care to veterans, Federal employees, merchant seamen, senior citizens and many other New Yorkers who depend on continued operation of this facility. Not only is the hospital invaluable in meeting the health-care needs of thousands of New Yorkers, but it is also the third largest employer on the whole of Staten Island. It would be impossible for area hospitals to absorb patients now being treated at this facility should it be forced to close.

Mr. Speaker, in the past 2 weeks I have heard from diverse elements in our society in support of the Emergency Medical Services Act—from the medical and nursing professions, from city and local officials, from veterans, senior citizens, and education groups, in effect, from virtually everyone in this country who is concerned about the health care of our people. We in the Congress have a mandate from the people to override the President's veto and persist in our efforts to provide a better life for Americans.

Mr. BIAGGI. Mr. Speaker, I rise in support of this effort to override the veto by the President of the Emergency Medical Services Systems Act of 1973. I totally disagree with the administration's view that the Federal Government should not help the States expand medical health services.

One of the most serious deficiencies in our country's health delivery system is the inability to respond rapidly and effectively to emergency medical crises in our many communities. Proper medical care at the scene of an accident or enroute to the hospital can save 10 to 20 percent of those now dying as a result of improper or inadequate treatment.

This bill provides a 3-year authorization of $185 million for emergency medical service systems, training, and research. It also continues the operations of the Public Health Service hospitals.

Over the last 5 years, this administration has done everything possible to reduce or eliminate the Federal commitment to improving and upgrading our health delivery system. Where the health of the people is concerned, I for one do not want to find myself on the side of those who voted too little and as a result lives were lost.

The measure before us today is a fair and equitable proposal and certainly within the budget limitations proposed by the President. A small reduction in waste and inefficiency in the Defense Department and elimination of excess bureaucracy in other departments will more than adequately compensate for the cost of this 3-year program.

I urge my colleagues to vote to override this veto and provide for proper medical care for all Americans.

Mr. REID. Mr. Speaker, I rise to express my concern over the President's veto of the Emergency Medical Services Act, and to urge my colleagues to vote to override this veto.

Mr. Speaker, I was shocked at the President's veto of this bill. In my view, the veto was unnecessary and unjustified, and above all represented a callous approach to the health of hundreds of thousands of Americans.

The vetoed legislation would, first of all, create a new 3-year, $185 million emergency medical services grant program; second, it would create a new 1-year $10 million emergency medical training program; and finally, it would continue the operation of the eight Public Health Service hospitals, the largest of which is in Staten Island, N.Y.

Just this morning we in the New York delegation received in our offices a letter from HEW Secretary Weinberger notifying us that HEW appeared to have reevaluated the need for the Staten Island PHS Hospital, and that this hospital would therefore continue to operate even if the veto was sustained.

This is of course fine news for New Yorkers, but I would be more anxious to applaud the administration's newly real-

ized concern if it had come before the 11th hour—today, of course, has long been scheduled as the day of the veto override vote. The situation and the need for this hospital, which serves over 150,000 New Yorkers, have not changed since President Nixon recommended phasing it out. It is only an apparent shortage of votes in the House that has persuaded the administration to change its position and show any concern for the thousands of New Yorkers who would have been without medical care if the veto as originally intended had been sustained.

I would point out, however, that still in the bill are funds critical for New York State and the health of New Yorkers. New York State could expect to receive $15 million of the funds authorized under the emergency medical services grant program, with New York City possibly receiving $5 to $7 million.

Mr. Speaker, this is not the time to cut back on our health resources. With health costs skyrocketing—in the last 5 years they have increased 43 percent in the New York area—with hospital facilities and beds already being taxed beyond their capacity, and with doctors and other medical personnel at an acute shortage, we must devote a great deal more—not less—of our efforts to solving what is indeed becoming a health crisis not only in the State of New York, but throughout the Nation.

Mr. Speaker, apparently the President, and, I might add, Governor Rockefeller—from whom we in the New York delegation have not heard a peep, even though we have received appeals and notices from county leaders, labor unions, mayors, and numerous other State leaders—fail to recognize that in the State of New York, at least, where prices, including health costs, are rising far faster than income, people simply can no longer afford to get sick.

Mr. Speaker, I urge that the veto be overridden by the House, as it was by the other body.

Mr. YOUNG of Florida. Mr. Speaker, I am casting my vote to override the President's veto of S. 504, legislation providing Federal support for State and local emergency medical services programs, and requiring the continued operation of eight general hospitals operated by the U.S. Public Health Service.

When I voted for the Emergency Medical Services bill on May 31 of this year, I shared my colleagues' overwhelming opinion that the Federal Government could, with the relatively modest funding contained in this bill, take a great step forward in helping to save more than 60,000 lives every year. The American Heart Association has estimated, for example, that more than 25,000 prehospital coronary deaths could be prevented with proper emergency medical facilities.

In the State of Florida, one of the model EMS programs in the country has been serving a seven-county area centered on Jacksonville. The success of this program has demonstrated that a coordinated EMS program can save lives by assuring rapid access to sophisticated lifesaving medical techniques even for isolated rural areas. Victims of auto accidents, severely injured or poisoned children, elderly lung or heart sufferers—all are assured rapid emergency care through the EMS program.

The eight Public Health Service hospitals which would be preserved in operation by S. 504 have a record of service to this Nation, and especially to its merchant seamen, which is long and distinguished. These hospitals provide valuable medical and paramedical training programs, and also operate several valuable ongoing research programs which benefit their patients and the general public as well. The Baltimore PHS hospital operates an important multimillion dollar cancer research center funded by HEW, and the New Orleans hospital has several community-oriented health programs, including a Poison Control Center which handles some 200 cases per month.

While I have consistently supported the President's efforts to reduce Federal spending and eliminate waste in Government, I feel strongly that the health of this Nation is too important for program reductions or funding cutbacks. Every dollar which we spend for health care provides a major return in lives saved, work-days added to the economy, and the relief of human misery.

Emergency medical services are an important but as yet underdeveloped component of the health care field. Accidents are the fourth most common cause of death for all ages, and the President has estimated that they cost the Nation more than $28 billion annually. S. 504 authorizes Federal spending of $185 million over a period of 3 years; this is a small price to pay for making a big dent in that $28 billion loss. I am therefore voting to override on S. 504, so that the citizens of this Nation may have rapid and safe access to vital medical treatment in case of emergency.

Mr. ROBISON of New York. Mr. Speaker, it is not necessary for this Member to demonstrate his support of the basic Emergency Medical Services Act.

I state that because—as the record shows—I was privileged to be an original cosponsor, along with my colleague from West Virginia (Mr. MOLLOHAN), of the legislative proposal that, with some modifications, became the Emergency Medical Services Act as reported out by the House Committee on Interstate and Foreign Commerce and as then passed by this House.

When I first introduced that legislative idea, with Mr. MOLLOHAN, I noted in my supporting statement that a prime incentive had been the President's use of his state of the Union message for 1972 to impress us with the need for improved emergency health care. Let me include the President's words, here, as they bear so strongly on my own conviction that we must have this legislation. President Nixon said on January 20, 1972:

> Last year, more than 115,000 Americans lost their lives in accidents. Four hundred thousand more were permanently disabled. The loss to our economy from accidents last year is estimated at over $28 billion. These are sad and staggering figures—especially since this toll could be greatly reduced by upgrading our emergency medical services. Such improvement does not even require new scientific breakthroughs; it only requires that we apply our present knowledge more effectively.
>
> To help in this effort, I am directing the Department of Health, Education and Welfare to develop new ways of organizing emergency medical services and of providing care to accident victims. By improving communication, transportation, and the training of emergency medical personnel, we can save many thousands of lives which would otherwise be lost to accidents and sudden illnesses.

Those compelling reasons for new Federal initiatives have not changed. In fact, they have grown more severe. Also unchanged is the general ineffectiveness and overlapping of the Federal agencies which now support emergency medical services in some fashion—at least 25 different offices and agencies according to the National Academy of Sciences.

I took President Nixon's figures, added my own—400,000 yearly victims of heart attack who never reached the hospital—and spent several months gathering comments from virtually every national expert on emergency medical services. These individuals unanimously suggested that much of what was wrong with the Nation's emergency medical capability could be corrected by more effective organization and management of the Federal Government's own present efforts.

The bill which eventually emerged from the Interstate and Foreign Commerce Committee was primarily a vehicle to accomplish those ends. Included in the measure was a complete definition of an emergency medical system, which sets the standards for the entire Federal Government. A new interagency task force was created, headed by the Secretary of Health, Education, and Welfare to assure Government-wide coordination of emergency health-care policy, and an identifiable office within the Department of Health, Education, and Welfare was to be accountable for the disbursement of any grants or contracts authorized in the act.

The bill placed long-needed emphasis on training of ambulance attendants, only a small minority of whom have completed the basic 70-hour course designed by the National Academy of Sciences, or an equivalent course. And, a 1-year legal study was provided to determine existing legal barriers, such as State statutes which impede the application of on-the-scene emergency care, and inadequate "Good Samaritan" laws—or lack of any at all—which deter a passing physician or health professional from coming to a victim's aid.

The President has since said in his veto message that emergency health care was preeminently a local and State responsibility. I certainly will not argue with that; but I must also suggest that it always has been so, and obviously the States and localities either do not have the resources to contend with a problem of such massive proportions, or have simply ignored that problem. We therefore have a situation in which an individual can never be sure, as he moves from one part of the country to the next, how quickly he can receive emergency care or how competently it will be administered in the event of accident or sudden illness.

Thus, the Federal Government can most appropriately act now to achieve some balance in the quality of emergency medical services in different parts of the country without necessarily preempting local responsibilities.

In that veto message, the President also complained that, with enactment of such a Federal program, we would be creating a new and potentially expensive categorical grant program when, instead, we ought to be consolidating and even eliminating some of the existing and overlapping categorical grant programs. Something can be said in support of that latter idea and, in general, I do support its thrust. However, if my colleagues, Mr. Speaker, have read the hearings on this bill, if they have noted the testimony of virtually every national expert on emergency health care, they will understand that this is a reorganization bill—not a new program. It is a bill to improve upon the work that is already being done by some 25 Federal offices and agencies by enhancing the organization and management of the Federal Government's present emergency medical service activities.

Next, there is the question of the cost of this program—if enacted and funded at a reasonable level. As a member of the Appropriations Committee, as a Member of this Congress, and even simply as a taxpaying-citizen, I understand and share the President's concern over the relationship between deficit Federal spending and inflation. He is right in calling our attention to the same, but I am not deterred—in this instance—by this bill's $185 million authorization, spread over 3 years.

For, not only can that cost—or whatever portion thereof is actually funded—largely be off-set by those other costs, however difficult to compute, incident to the loss of those human lives whom this program, once implemented, can help save, but I further believe that this Congress is now, finally, on its way toward achieving the mechanism necessary to determine its own budgetary priorities and then to fit them in under its own, overall expenditure ceiling.

Until the arrival of that day, however—which I, for one, hope will make the plaguing question of Presidential impoundments largely academic—we must deal with things as they are, rather than how we would wish them to be.

So, I come down, now, to this particular vote—on the question of sustaining or overriding this Presidential veto—and the necessity to find the best way out of our current dilemma.

It seems to me, Mr. Speaker, that the addition of the Senate rider relative to the Public Health Service hospitals brought an unnecessary and wholly nongermane but complicating issue into this picture. As an issue, whatever its true merits, it should be dealt with separately; I think we all acknowledge that, even if some of us will only do so privately.

The President's letter of September 10, addressed to the minority leader, suggests that approach, and it is the right approach. At the same time, that letter does not adequately tell us what the President's further position on the EMS portion of this legislation would be if we now simply sent it back to him stripped of the PHS rider.

The ranking member on the committee, the gentleman from Minnesota (Mr. NELSON), has urged us to now join him in cosponsoring the EMS portion of this legislation, unchanged, as a separate vehicle. In doing so, he has adopted the same approach I undertook, with others, earlier this year, when we all faced a somewhat similar dilemma after a veto of vocational rehabilitation legislation, which veto was sustained. At that time, as accommodation of the differing points of view as between President and Congress was eventually achieved—and I hope and believe the same can be accomplished, here.

The spirit of accommodation—and compromise—tenuous as it was earlier this year when that agreement on the vocational rehabilitation bill was arrived at, is even more tenuous, now. One could say, I think, that it now hangs by the barest of threads.

But we can all agree, can we not, that it is essential to do what we can to keep that spirit alive?

I have remained doubtful, until even this afternoon, as to the President's own intentions in this regard—for accommodation is, of course, a two-way street. However, I have now received assurances, sufficient to me, that the President will sign what might be called the "clean" EMS bill—as offered by Mr. NELSEN and which I am also cosponsoring—along with assurances that I consider of even greater importance since any veto of such a "clean" bill could clearly be overridden, that the President will, however reluctantly, accept an appropriate level of funding for the programs under such a bill.

These latter assurances—if they can even be termed that—are much less convincing. I wish I felt surer of them than I do. And, yet, I believe one has to be pragmatic, as opposed to being political, when confronted by this sort of a situation. It seems to me, Mr. Speaker, that the question comes down to this: Do we who support a proper EMS initiative, want an issue, or an implementable program? We could ram the present vetoed bill, with the PHS rider, down the President's throat, so to speak, by overriding his veto and then voting a follow-on appropriation, at whatever level we could agree upon, to fund the EMS programs. There are certain things we do not know about the President, but one thing we do know is that he has a clear stubborn streak. That trait, by itself, is not to be criticized unless carried to extremes. However, can anyone here imagine that if we take Mr. Nixon to the mat—again so to speak—on this issue in such a fashion, that he will do anything other than to issue orders to impound such moneys as we may subsequently vote for the EMS programs?

Wanting the EMS programs more than I, for one, want an issue, I have accordingly decided to vote to sustain this particular veto, and then to hope—and to work—for what might be called the best.

It seems to me, in essence, that again this is the pragmatic—the practical—thing to do; and that, besides which, in this fashion we may encourage that faint spark of compromise against dying out in an atmosphere of stifling confrontation which could only make these next 3 years intolerable ones for both President and Congress, let alone the Nation.

One final thing, though: I am not moved, Mr. Speaker, by the notion, advanced by some, that this vote is a test, somehow, of the effect of "Watergate" upon the President's effectiveness, or lack thereof. I sincerely hope we do not fall into that trap as we enter upon this fall session. "Watergate"—whatever else it may mean—must not be allowed to interfere with, or be confused with, the difficult issues both President and Congress must face in the months ahead, or with the decisions they must separately make thereon. If we were to allow that to happen we would only be doing both ourselves and the President harm—the President by perpetuating the doubts and animosities the very word "Watergate" triggers; and ourselves by bending to the implication that at least some of us must seek to dispel the Watergate charges through our action on matters having absolutely no relation to Watergate. If even just those of us who hope, for the sake of both the institution that is the Presidency and of the Nation, that Mr. Nixon can, somehow, weather Watergate, we would have to appreciate the fact that no single vote could counteract all that term has come to mean, and that we would be called upon to try to carry out that impossible task time and time again during the next 3 years.

And so I say, Mr. Speaker, let us stick to the real issues—and the real issue in this instance is, how can we best advance the cause of improving the emergency medical services available to the people of this Nation. There is ample room for disagreement over what is the proper route to that goal, but I am choosing the one I think is best and can only hope time will prove me right.

Mr. FOUNTAIN. Mr. Speaker, when S. 504, known as the Emergency Medical Service Systems Act of 1973 was first considered and passed in this Chamber, I had no doubts about the real worth of the proposed program, and especially the need for a continuation of existing public health service hospitals which the administration seeks to close.

Beyond any question the emergency medical health services portion of the bill has basically meritorious objectives which I have always supported. However, when this legislation was voted on by the House, I doubted the wisdom of embarking upon another new spending program at a time when the economy is in serious trouble and when deficit spending is the basic cause of our national economic ills.

However, we have been assured by the minority leader, our distinguished and able colleague from Michigan, Mr. GERALD R. FORD, and others, that if we vote to sustain the President's veto of this legislation, an identical bill, without the PHS hospitals provision, will be supported by the President, and, if enacted into law by the Congress signed by him.

This means that spending $60 million annually for the next 3 years on a new emergency medical services program is no longer the issue with the President—

the issue which bothered me when this bill passed the House.

At that time, my concern was not over keeping the PHS hospitals open or over the merits of the emergency medical services provision of the act, but entirely about the advisability of starting any new and potentially costly spending programs, however meritorious.

In any event, in view of the President's intention to support a bill identical to S. 504, but without the PHS hospital provision—a worthy part of the bill—and for reasons which I have mentioned, and others which have already been extremely well articulated during this debate, including the merits of the emergency health services program, I have decided to vote to override the President's veto of this legislation.

Mrs. BOGGS. Mr. Speaker, I support this motion which will provide the emergency medical care capable of saving an estimated 60,000 lives—16,000 of them teenage—a year and will continue the operation of Public Health Service hospitals and their research and training facilities.

My remarks will be concerned with the PHS hospital in New Orleans since I am particularly familiar with the essential role it plays in our own community and surrounding areas, including several other States.

I want to state at the outset that I am strongly opposed to the HEW proposal. Recognizing our inflationary problems, I am for economizing as much as anyone else, but I believe that HEW is basing its proposal upon false economic principles. I further believe that many of its other justifications for this move are not factual.

HEW says that the proposed plan would cost $81 million for operating expenses and another $7 million for other costs in the fiscal year beginning July 1, 1973. A lot could be done to improve existing facilities and service with that kind of money. Admittedly, some of the PHS facilities are in poor physical shape, but dereliction in keeping them modern should not be used as a reason for closing these hospitals.

HEW also claims that the PHS hospitals' patient loads show a continuing decline and that it will be cheaper to form contractual agreements with community hospitals to absorb PHS hospital inpatient loads.

The U.S. Public Health Service has maintained a medical facility in New Orleans since 1802 when Congress appropriated $3,000 to provide medical care for American seamen. Since that time, with the exception of the Civil War, the PHS hospital has been an essential health care institution in our community and region.

The director of the Public Health Service hospital in New Orleans has said that he seriously doubts the capability of community hospitals to absorb the inpatient load of the PHS facility if it is phased out.

He says there would not be sufficient beds to care for the current load of 193 primary beneficiary inpatients per day.

Supposedly, the HEW contractual program would be limited to primary beneficiaries, such as merchant seamen, active duty Coast Guard personnel, and PHS commissioned officers, and members of the National Oceanographic and Atmospheric Administration.

Secondary beneficiaries, which include active duty personnel of the Defense Department and their dependents, dependents of primary beneficiaries, and retired persons who otherwise would have qualified for PHS services, would require other arrangements.

There has been no appreciable decrease in the patient load at the New Orleans facility, according to the hospital's director.

The average number of daily patients in the hospital for 1958 was 314; it was 312 in 1969, and 299 in 1972.

Although the average number of patients in the hospital has decreased slightly, the number of admissions has increased significantly, from 4,918 in 1958 to 7,637 in 1972.

Outpatients visits totaled 74,208 in 1958 and 135,684 in 1972.

The average daily inpatient load for January 1973 was 313; for February 1973, it was 326.

These figures certainly do not support HEW's contention that the hospital is not being utilized and that activity is decreasing.

Most significant is the cost factor. HEW claims it will be cheaper to set up contractual arrangements for patient care. However, studies show that the average cost per day for 12 hospitals in the New Orleans area over the past several months is approximately $104.09, which does not include physician fees. On the other hand, the average cost per day for the entire Public Health Service hospital system is less than $70 per day.

A 1970 study showed that because prescriptions were cheaper through the Public Health Service hospital as compared to community hospitals, the Federal Government saved over $1 million in this area alone. Similar savings were recognized in the pathology department and X-ray department. If these services were on a contractual basis, it would probably cost the Federal Government about $3 million a year more than it does now.

HEW has also resorted to the argument that the PHS hospitals serve a select group. But I contend that the Indian health hospital and the Veterans' Administration hospitals also serve select groups—people who need and are entitled to the services extended.

The New Orleans hospital today serves Louisiana, Missouri, Arkansas, Tennessee, Alabama, Mississippi, Florida, and the Panama Canal Zone. A poison control center is staffed on a 2-hour basis at the hospital and renders service to the entire 50 States, plus it is a backup to the national clearing house in Washington.

In addition, the closing of the New Orleans facility would have an adverse economic impact on our area. Presently there are approximately 600 employees at the PHS hospital and their employment and purchasing power would be severely curtailed if this hospital is closed down. I hope that the House of Representatives will not allow us to suffer these difficulties.

Mr. BURKE of Massachusetts. Mr. Speaker, the President has stretched the demand for fiscal economy too far. He is saving money when he could be saving lives, and he is forgetting the recommendation which he made to all of us in his Presidential message to the House in January of 1971.

At that time he correctly stated that emergency medical services were in a "sorry state." He demanded that Congress take action in this matter just as he demanded our prompt action to certain other legislative priorities earlier this week. And we responded to his call in providing vitally needed emergency medical services legislation. In short, we followed the President's mandate only to have our efforts vetoed. Perhaps he is testing our determination to carry out his wishes. Perhaps in overriding the veto on this bill, we will be proving our faith and allegiance to legislation initiated by his request.

I can see no other reason for his veto of S. 504. Surely, the President realizes that proper emergency care could save an estimated 60,000 lives a year and that proper training and skilled use of emergency medical facilities could spare over 25,000 Americans from the severe and often permanent injury which is the inevitable result of a lack of such equipment and personnel. I am sure the President is aware of the American Heart Association's report that an estimated 10 percent of the yearly 275,000 prehospital coronary deaths could be prevented if proper care were administered at the scene and en route to the hospital. It is certainly no secret that thousands of highway deaths could be prevented each year if only the resources were made available to enable well-equipped, competent personnel to respond within the crucial and limited time period required.

When the toll of human life is this high and when we have the power and resources available to significantly reduce this avoidable suffering and death, there can be no justification for turning our backs and allowing this veto to stand. I am fully aware that efforts are underway to produce a watered down version of this bill in order to make it more acceptable to the administration. I do not believe that any erosion on the impact of this bill is acceptable. It can never be acceptable that we chose to save the lives of only 30,000 or 45,000 individuals when we have the potential to save 60,000 lives.

The administration also feels that public health service hospitals are no longer economically acceptable. The President advises that these hospitals should fall under the responsibility of State and local governments. If the Federal Government does not have the economic means by which these hospitals can be maintained, then how are our State and local governments expected to assume this responsibility? The administration would have us believe that State and local governments are perfectly capable of assuming the costs of these hospitals. We know this is unrealistic. The inevitable result will be the extinction of these vitally needed PHS hospitals. Each year, public health service hospitals train 12,000 physicians, dentists, medical technicians, licensed practical nurses, phy-

sicians assistants, orthopedic assistants, medical librarians and other paramedical personnel. This in itself is justification for continuing Federal support of public health service hospitals.

The patients now served by these facilities will have nowhere to turn—unless, of course, they are able to bear the 40 to 50 percent higher cost of health care in private hospitals. What will become of the people who staff these hospitals? I know in Massachusetts, where the Chelsea Naval Hospital—only a few miles from the Boston PHS Hospital—has been closed, and where military cutbacks have sent unemployment into the crisis stage, that these people will find no jobs available. Is Massachusetts also to assume the costs of increased unemployment?

Mr. Speaker, I have observed first hand the outstanding work performed by the Boston PHS hospital. I have seen people helped who could not have found aid elsewhere. If I were convinced that the administration's proposed transfer of this facility was in the best interest of everyone involved I would not object. But I am not so convinced, and I do object. I feel a strong responsibility in this area and I will vote to override the President's veto of the Emergency Medical Services Act. I urge my colleagues to join me in this effort.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of this resolution to override President Nixon's veto of the Emergency Medical Services Act, S. 504.

After months of careful deliberation the Congress passed S. 504, a bill that recognizes that communities all over America lacked vital services for emergency treatment. S. 504 provides community based emergency services with 50 percent Federal matching funds the first year and 25 percent in the second, with grants available in succeeding years for not more than 50 percent of the total cost of a project. The main thrust of this legislation provides both the impetus, the technical assistance, and the funds for developing emergency health services. The bill also authorizes funds for medical school training in emergency health care.

This is not an expensive bill, by any means. We are authorizing $185 million over a 3-year period to correct a critical health care problem. We heard testimony from every sector of the American medical community including hospitals, private physicians, medical schools, community, and State health departments. All attested to the tremendous shortage of emergency health facilities.

In addition, this bill would prohibit the closing of eight Public Health Service Hospitals, including the one located on Staten Island which serves my constituents in Hudson County, N.J. These PHS Hospitals fill a vital role in providing needed health services.

Mr. Speaker, I strongly disagree with President Nixon's rationale that this is a State and local responsibility. We are returning Federal taxes to the people who paid them in the form of services they need and want.

The President recently issued a statement that Federal Government must cut back on spending but that he would refuse to accept any cuts in military hardware in spite of hearings in the Senate and the House which clearly show that a substantial portion of this spending is wasteful and does not serve the defense of the Nation. Instead, the President demands that the Congress cut back spending on domestic programs that clearly serve the interests and needs of the American people.

These are strange priorities indeed, that prohibit returning vital health, education, and other domestic services to the American taxpayers, but permit cost overruns to defense contractors, an unwarranted $300 million in subsidies to grain dealers for wheat exports to Russia, and over $10 million to renovation of the President's personal homes. I find it difficult to reconcile these priorities with the traditional American concept that purpose of the American Government is to serve all of the American people.

I urge my colleagues to override this veto.

Mr. TREEN. Mr. Speaker, I cast my vote to sustain President Nixon's veto of the Emergency Medical Services Act of 1973. I did so because I am convinced that the President's proposals with regard to U.S. Public Health hospitals offer a unique opportunity to provide better medical care to entitled recipients while saving considerable sums of money for the American taxpayer. I wish to emphasize the point that I am confident that the treatment of those patients in the USPHS hospital health care system will be improved.

Before I cast my vote to sustain the President's veto, I was assured by the Secretary of the Department of Health, Education, and Welfare, Mr. Caspar Weinberger, that the people of Louisiana would not suffer in any way as a result of the implementation of the Department's plan. In fact, Mr. Weinberger made it quite clear that the administration would not have proposed this plan to Congress if there were any chance that persons entitled to medical care at the USPHS hospitals would receive less than equivalent care. Mr. Weinberger also reaffirmed his belief to me that this proposal will result in better medical care for USPHS eligible patients.

Let me point to some of the misinformation that has surrounded this legislation. First of all, the issue with respect to the Public Health hospitals, including the one in New Orleans, was not simply whether to close them or keep them open. The issue was whether the Congress would prevent the President from implementing a plan to provide better health care at reduced cost to American taxpayers. If the President's veto had been overridden that plan would have been killed.

Second, the President's plan does not, repeat, does not involve closing the Public Health hospital in New Orleans; it only proposes that inpatient care be provided in hospitals located in or near the community where the patient lives.

Third, free inpatient care to those entitled will continue to be provided in contracting hospitals at no cost, repeat, no cost to the recipient.

Fourth, all persons entitled by law and/or regulation to medical care will continue to receive medical care.

Fifth, the USPHS hospitals, including the one in New Orleans, will remain open, repeat, remain open for outpatient and dental care.

Sixth, the President's plan does not, repeat, does not have any bearing on veterans hospitals or medical care for veterans whatsoever. The President is, and I am also, a staunch supporter of maximum health services for veterans. No diminution of veterans facilities or services is involved in any way whatsoever, and rumors to the contrary are totally unwarranted and unfounded.

Seventh, every President since President Truman has sought to make the changes President Nixon is proposing; each was motivated by the same desire to make substantial savings without curtailing medical services.

Eighth, substantial savings can be achieved by the President's plan because the low inpatient load at the USPHS hospitals does not justify the tremendous costs to remodel, equip, and maintain the hospitals to provide modern health care; it is far less expensive for the Government to pay other hospitals for this inpatient care.

In my State of Louisiana, and a triparish area that includes part of my congressional district, the New Orleans USPHS hospital had a daily primary beneficiary patient load of 193 and an annual outpatient workload primary beneficial visits of 52,431. In New Orleans, as I pointed out, the administration proposes to continue all outpatient care, including the dental clinic in its present form. For primary inpatient care, the administration proposes to contract with local community hospitals. Thus, the patient, for the first time, will have the opportunity to stay within his home area and easy reach of his loved ones. The administration's proposal to phase out the New Orleans PHS hospital inpatient care will not only provide better and more economic inpatient care for the primary beneficiaries in the New Orleans area, but contracts with other community hospitals for patients who have had to travel from as far away as Mississippi, Tennessee, and Florida will now enable these patients to receive care in their own communities, at no cost whatsoever to themselves.

I would also like to point out that as a result of these changes much of the load now carried by the New Orleans hospital, both outpatient and inpatient, will be taken up by hospitals in other cities with which HEW has contracts. Thus, there will be a reduction of outpatient loading in New Orleans which, in turn, should result in more prompt medical attention for those who continue to use the New Orleans hospital for outpatient treatment.

Mr. Speaker, the guarantees I have received from the Department of Health, Education, and Welfare make me confident that all persons under the law will continue to receive the medical care I have just described, and I can assure you that I will go to bat for any patient who does not.

For primary patients in the New Orleans area, the following hospitals will

be able to provide the following approximate number of beds as listed:

	Beds
West Jefferson Hospital	20
Hotel Dieu Hospital	20
Sara Mayo Hospital	32
Flint-Goodridge Hospital	15
East Jefferson Hospital	10
Southern Baptist Hospital	5–10
Mercy Hospital	5–10
Eye, Ear, Nose, and Throat Hospital	5

Furthermore, once the Hotel Dieu Hospital is fully staffed a total of 180 beds can be committed to USPHS beneficiaries.

Equally important is the treatment for "secondary" patients, particularly military servicemen and their dependents. As I indicated earlier, these patients will continue to receive outpatient care at the USPHS hospitals in New Orleans. For inpatient treatment, the naval hospital for New Orleans had a 100-bed facility approved in fiscal year 1973. Because of the possible termination of inpatient treatment at the New Orleans USPHS Hospital, a contingency plan had been devised earlier by the Department of Defense to add 150 additional beds in fiscal year 1974. The few that might not be able to obtain inpatient medical care at the naval hospital will certainly be able to obtain inpatient care at the other community hospitals under the civilian health and medical program of the Uniformed Services—CHAMPUS.

Insofar as veterans are concerned, this legislation will have no negative impact whatsoever—all rumors to the contrary. Our U.S. health care system is continuing to grow at very impressive rates. This year alone the VA health care system will provide one-third more inpatient care for veterans than it did 4 years ago, and it will handle 70 percent more outpatient visits—7.1 million—during the same period.

So I think, Mr. Speaker, that the time has come for us not to play on the fears of the public. The time has come for us to show that we can eliminate programs that have outlived their major purpose. I think this should set the example for many of the other Federal programs that no longer serve their purpose, save to drain the Federal Treasury and the American taxpayers pocketbook. If we can meet this challenge, I believe we will have taken the first step to restoring fiscal responsibility to our country, to curbing inflation, and to stabilizing the economy. And, I might add, without detriment in this case to the medical care of the patients we are all concerned about.

Mr. Speaker, I was elected on a platform of reducing the cost of government wherever possible without degrading or diminishing our obligations. I am convinced that such an opportunity exists in the President's plan.

The SPEAKER. All time has expired.

Mr. STAGGERS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, will the House, on reconsideration, pass the bill the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 273, nays 144, answered "present" 1, not voting 17, as follows:

[Roll No. 449]

YEAS—273

Abdnor	Fulton	Patman
Abzug	Fuqua	Patten
Adams	Gaydos	Pepper
Addabbo	Gettys	Perkins
Albert	Giaimo	Pettis
Alexander	Gibbons	Peyser
Anderson, Calif.	Ginn	Pickle
	Gonzalez	Pike
Andrews, N.C.	Grasso	Poage
Andrews, N. Dak.	Gray	Podell
	Green, Oreg.	Preyer
Annunzio	Green, Pa.	Price, Ill.
Ashley	Griffiths	Pritchard
Aspin	Gubser	Railsback
Badillo	Gude	Randall
Barrett	Gunter	Rangel
Bell	Haley	Rees
Bennett	Hamilton	Reid
Bergland	Hammer-schmidt	Reuss
Bevill		Riegle
Biaggi	Hanley	Rinaldo
Biester	Hanna	Roberts
Bingham	Hansen, Wash.	Rodino
Blatnik	Harrington	Roe
Boggs	Hawkins	Rogers
Boland	Hays	Roncalio, Wyo.
Bolling	Hébert	Rooney, N.Y.
Bowen	Hechler, W. Va.	Rooney, Pa.
Brademas	Heckler, Mass.	Rose
Brasco	Helstoski	Rosenthal
Breaux	Henderson	Rostenkowski
Breckinridge	Hicks	Roush
Brinkley	Hogan	Roy
Brooks	Holifield	Roybal
Brown, Calif.	Holt	Ryan
Burke, Fla.	Holtzman	Sarasin
Burke, Mass.	Howard	Sarbanes
Burlison, Mo.	Hungate	Satterfield
Burton	Hunt	Saylor
Byron	Jarman	Scherle
Carey, N.Y.	Johnson, Calif.	Schroeder
Carney, Ohio	Jones, Ala.	Seiberling
Carter	Jones, N.C.	Shipley
Casey, Tex.	Jones, Okla.	Sikes
Chamberlain	Jones, Tenn.	Sisk
Chappell	Jordan	Slack
Chisholm	Karth	Smith, Iowa
Clark	Kastenmeier	Staggers
Clausen, Don H.	Kazen	Stanton, J. William
	Kemp	
Clay	Kluczynski	Stanton, James V.
Cohen	Koch	
Collins, Ill.	Kyros	Stark
Conte	Landrum	Steed
Conyers	Leggett	Steele
Corman	Lehman	Stephens
Cotter	Litton	Stokes
Cronin	Long, La.	Stubblefield
Culver	Long, Md.	Stuckey
Daniel, Dan	McCormack	Studds
Daniel, Robert W., Jr.	McDade	Sullivan
	McFall	Symington
Daniels, Dominick V.	McKay	Taylor, N.C.
	McKinney	Teague, Tex.
Danielson	Macdonald	Thompson, N.J.
Davis, Ga.	Madden	Thornton
de la Garza	Mailliard	Tiernan
Delaney	Mathias, Calif.	Towell, Nev.
Dellums	Matsunaga	Udall
Denholm	Mazzoli	Ullman
Dent	Meeds	Van Deerlin
Diggs	Melcher	Vander Jagt
Dingell	Metcalfe	Vanik
Donohue	Mezvinsky	Veysey
Dorn	Milford	Vigorito
Downing	Minish	Waldie
Drinan	Mink	Whalen
Dulski	Mitchell, Md.	White
du Pont	Moakley	Whitehurst
Eckhardt	Mollohan	Whitten
Edwards, Calif.	Moorhead, Pa.	Wilson, Bob
Eilberg	Morgan	Wilson, Charles H., Calif.
Esch	Mosher	
Evans, Colo.	Moss	
Evins, Tenn.	Murphy, Ill.	Wilson, Charles, Tex.
Fascell	Murphy, N.Y.	
Fisher	Natcher	Wolff
Flood	Nedzi	Wright
Flowers	Nichols	Yates
Foley	Nix	Yatron
Ford, William D.	Obey	Young, Alaska
	O'Hara	Young, Fla.
Forsythe	O'Neill	Young, Ga.
Fountain	Owens	Young, Tex.
Fraser	Passman	Zablocki

NAYS—144

Anderson, Ill.	Goldwater	Parris
Archer	Goodling	Powell, Ohio
Arends	Gross	Price, Tex.
Armstrong	Grover	Quie
Bafalis	Hansen, Idaho	Quillen
Baker	Harsha	Rarick
Bauman	Harvey	Regula
Beard	Hastings	Rhodes
Blackburn	Heinz	Robinson, Va.
Bray	Hillis	Robison, N.Y.
Broomfield	Hinshaw	Roncallo, N.Y.
Brotzman	Horton	Rousselot
Brown, Mich.	Hosmer	Ruppe
Brown, Ohio	Huber	Ruth
Broyhill, N.C.	Hudnut	Schneebeli
Broyhill, Va.	Hutchinson	Sebelius
Buchanan	Ichord	Shriver
Burgener	Johnson, Colo.	Shuster
Burleson, Tex.	Johnson, Pa.	Skubitz
Butler	Keating	Smith, N.Y.
Camp	Ketchum	Snyder
Cederberg	King	Spence
Clancy	Kuykendall	Steelman
Cleveland	Landgrebe	Steiger, Ariz.
Cochran	Latta	Steiger, Wis.
Collins, Tex.	Lent	Symms
Conable	Lott	Talcott
Conlan	Lujan	Taylor, Mo.
Coughlin	McClory	Teague, Calif.
Crane	McCloskey	Thomson, Wis.
Davis, Wis.	McCollister	Thone
Dellenback	Madigan	Treen
Dennis	Mallary	Walsh
Derwinski	Mann	Wampler
Devine	Maraziti	Ware
Dickinson	Martin, Nebr.	Widnall
Duncan	Martin, N.C.	Wiggins
Edwards, Ala.	Mayne	Williams
Erlenborn	Michel	Winn
Eshleman	Miller	Wyatt
Findley	Minshall, Ohio	Wydler
Fish	Mitchell, N.Y.	Wylie
Flynt	Mizell	Wyman
Ford, Gerald R.	Montgomery	Young, Ill.
Frelinghuysen	Moorhead, Calif.	Young, S.C.
Frenzel		Zion
Frey	Myers	Zwach
Froehlich	Nelsen	
Gilman	O'Brien	

ANSWERED "PRESENT"—1

Mahon

NOT VOTING—17

Ashbrook	Hanrahan	St Germain
Burke, Calif.	McEwen	Sandman
Clawson, Del	McSpadden	Shoup
Collier	Mathis, Ga.	Stratton
Davis, S.C.	Mills, Ark.	Waggonner
Guyer	Runnels	

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Mills of Arkansas and Mr. Stratton for, with Mr. Mahon against.

Mrs. Burke of California and Mr. St Germain for, with Mr. Collier against.

Until further notice:

Mr. Davis of South Carolina with Mr. Ashbrook.

Mr. McSpadden with Mr. McEwen.

Mr. Mathis of Georgia with Mr. Sandman.

Mr. Waggonner with Mr. Shoup.

Mr. Runnels with Mr. Hanrahan.

Mr. Guyer with Mr. Del Clawson.

Mr. MAHON. Mr. Speaker, I have a live pair with the gentleman from Arkansas (Mr. MILLS) and the gentleman from New York (Mr. STRATTON). If they had been present they would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that

the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7724. An act to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7724) entitled "An act to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. NELSON, Mr. KENNEDY, Mr. MONDALE, Mr. HUGHES, Mr. CRANSTON, Mr. PELL, Mr. EAGLETON, Mr. JAVITS, Mr. DOMINICK, Mr. SCHWEICKER, Mr. BEALL, and Mr. TAFT to be the conferees on the part of the Senate.

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

S. 1866. An act to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 84–689, appointed Mr. SPARKMAN and Mr. KENNEDY to be delegates to the North Atlantic Assembly to be held in Ankara, Turkey, October 21 to 27, 1973.

The message also announced the Vice President, pursuant to 48 Stat. 967, appointed Mr. SYMINGTON to the U.S. Territorial Expansion Memorial Commission in lieu of Mr. CHURCH, resigned.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just considered.

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

There was no objection.

HEALTH MAINTENANCE ORGANIZATION ACT OF 1973

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 541 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 541

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7974) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 7974, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 14, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 7974 as passed by the House.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 541 provides for an open rule with 1 hour of general debate on H.R. 7974, a bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations.

House Resolution 451 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment.

House Resolution 451 also provides that after the passage of H.R. 7974, the Committee on Interstate and Foreign Commerce shall be discharged from the further consideration of the bill S. 14, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 14 and insert in lieu thereof the provisions contained in H.R. 7974 as passed by the House.

H.R. 7974 provides for assistance to develop new health maintenance organizations. It allows grants to be made for determining the feasibility of developing or expanding HMO's by entering into contracts with public and nonprofit private entities and contracts with private entities for projects for medically underserved areas.

The bill also provides for assistance in meeting the initial costs of operating a new or significantly expanded HMO by making loans for public or nonprofit private HMO's and loan guarantees for profitmaking HMO's which will serve residents of medically underserved areas.

H.R. 7974 provides for a 5-year authorization of $240 million.

Mr. Speaker, I urge adoption of House Resolution 541 in order that we may debate and discuss H.R. 7974.

Mr. LATTA. Mr. Speaker, today we are considering House Resolution 541, which is the rule providing for the consideration of H.R. 7974, the Health Maintenance Organization Act of 1973. This is an open rule with 1 hour of general debate. The rule also makes the committee substitute in order as an original bill for the purpose of amendment and makes it in order to insert the House-passed language in the Senate bill.

The purpose of H.R. 7974 is to provide a 5-year program of assistance to develop new health maintenance organizations—HMO's. An HMO is an organization for providing health care in a geographic area to a voluntarily enrolled group of persons. In exchange for providing the agreed-upon health services the HMO is reimbursed through a predetermined, fixed, periodic prepayment from each person enrolled in the HMO.

The committee report notes several advantages which HMO's offer. An HMO can take advantage of economies of scale, efficient management, and more productive use of health manpower. Since an HMO may be responsible for an individual over a period of time, it can do more preventive medicine, and thus correct some problems before they require expensive hospitalization. The committee report states that HMO's provide physicians pay which is competitive with what physicians make in fee-for-service practice. In addition, a physician can plan his working hours, while being assured other physicians will cover for him while he is off duty.

Prototype HMO's have operated for over 40 years, and in 1972 provided health services to over 7 million people. The committee report expresses concern about the fact that HMO's have not grown more rapidly than has been the case. Three reasons are given for the slow growth: First, HMO's are expensive to start; second, restrictive State laws often make the operation of HMO's illegal; and, third, HMO's cannot compete effectively in employer health benefit plans with existing private insurance programs. The third factor occurs because HMO premiums are often greater than those for an insurance plan, even though the total costs to a family will be less in the HMO because the benefits provided by HMO are more comprehensive.

This bill is designed to correct two of the three problems noted above. First, it will provide financial assistance for the developments of HMO's. Second, it will require employers to offer HMO's as an option in employee health benefit plans.

The total cost of this bill is $240 million over a 5-year period.

Mr. Speaker, I have no requests for time.

Mr. Speaker, I urge the adoption of this rule.

Mr. PEPPER. Mr. Speaker, I have no requests for time.

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.

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7974) to amend the Pub-

lic Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia, Mr. STAGGERS.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of the bill H.R. 7974, with Mr. UDALL in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from New York (Mr. HASTINGS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 7974, the Health Maintenance Organization Act of 1973. This legislation provides for a 5-year, $240 million program of assistance in developing new health maintenance organizations.

Programs of Federal assistance for starting HMO's were first proposed to us by President Nixon in his health message to Congress in 1971. Prototype HMO's have operated for over 40 years and in 1972 cared for more than 7 million people. The administration is presently running an HMO program, without specific legislative authority, in which they have spent $26 million and funded 110 HMO projects.

The present legislation provides: a definition of HMO's that specifies what services they must provide; assistance in studying the feasibility of HMO's, planning and developing them, and meeting their initial operating costs; continued regulation by HEW of HMO's which receive assistance; a requirement that employers of more than 25 employees, who offer their employees a health benefit plan, must as a part of that plan give the employees the choice of joining an HMO, if there is one in the area; and a thorough evaluation of the HMO program by the Secretary of HEW and the Comptroller General.

An HMO is an entity including four essential attributes: First, an organized system for providing health care in a geographic area which accepts the responsibility for providing care to its members; second, an agreed-upon set of basic and supplemental health maintenance and treatment services; third, a voluntary enrolled group of people; and fourth, a predetermined, fixed, periodic prepayment arrangement in which payment by the members to the HMO is made without regard to the amounts of actual services provided.

Many people have told us of a health care crisis in this country. Medical care costs have risen far more rapidly than other costs. Medical care is available only after people become sick rather than being used to keep people well. In many places medical care is unavailable or inaccessible. HMO's have been suggested as possible solutions to all of these problems. The committee has heard evidence that they control costs, keep the members healthier, and increase the availability of care.

H.R. 7974 has been carefully prepared by our committee to test whether or not these advantages of HMO's will, in fact, appear if Federal assistance is used to start them. These are important problems to which the public is demanding solutions. This is a good bill which will help find these solutions. I urge your support for it.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HASTINGS).

Mr. HASTINGS. I thank the Chairman.

Mr. Chairman, this HMO bill that is here on the floor of the House is a measure which was produced after a great deal of time and a great deal of effort in the Public Health Subcommittee. I might say that it is a compromise measure. After many segments of the health delivery system in the country indicated some opposition to certain portions of it, a substitute was introduced and was approved by the full subcommittee and by the full committee thereon, and this bill reaches us today without any great opposition of which I am aware at this time.

This bill contemplates a one-time-only program which would terminate after 5 years. It has a total cost of $240 million attached to it over the 5-year period of time. The bill authorizes assistance for feasibility studies, planning, initial development, and initial operations of health maintenance organizations. It allows greater flexibility for allocating funds among these provisions, and construction loans which were originally included have been omitted. The question of dual choice which was included, national mandatory dual choice, will be available to health maintenance organizations which meet certain specifications which are provided for in the legislation; and in a rather controversial section originally, employers of 25 or more people would be required to offer one of each type of qualified plan, that is, qualified HMO serving his particular area, and there would be no pre-emption of State laws or subsidies.

This bill, as I mentioned, is one that to my knowledge does not have a great deal of opposition. And I strongly urge the support of the House.

Mr. Chairman, I reserve the balance of my time.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. ROGERS), the chairman of the subcommittee.

Mr. ROGERS. Mr. Chairman, I thank the chairman for yielding.

Mr. Chairman, the Health Maintenance Organization Act of 1973 represents carefully considered legislation which has a broad base of support. HMO's bear great significance for the health of the American people and are capable of reducing the cost of health care in this country. They deserve a boost from the Congress. That is what this bill will do.

Simply stated, Mr. Chairman, the bill is designed to assist in the planning of an initial operation of new health maintenance organizations in this country. HMO's, which have been in existence for over 40 years, offer an organized system for providing agreed upon health services for which the HMO is reimbursed through a prepaid, fixed payment without regard to the amounts of actual services rendered. Experience has shown that, through this arrangement, HMO's can contribute to the alleviation of some of the major health problems in this country: uneven access to physician care, substantially rising costs, and orientation to care of the sick rather than on preventive medicine. HMO's have been shown to be capable of controlling health costs, cut down on unnecessary operations and effectively maintain the health of their enrollees.

Mr. Chairman, this is a free enterprise bill. It authorizes short-term support for feasibility studies, planning, and initial development and operation of HMO's, through grants, contracts, and loans. The mandatory benefit package is large enough to insure that practically all health problems of its enrollees will be met, but is not so expensive as to make the HMO's noncompetitive with other, more traditional modes of practice. It is our intent that this legislation will not only serve to foster HMO's in a substantial number of communities—probably on the order of 100—but also serve to demonstrate the concept of HMO's to health professionals and to the American people. The bill has received careful attention by the Subcommittee on Public Health and Environment and deserves the support of the overwhelming majority of the House.

Mr. HASTINGS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, this bill has been in our committee for a considerable length of time. Many parts of it were controversial. One of the concerns I had was that many of the programs we now have provided for medical schools and new starts in our medical schools and health manpower find funding a little difficult. So I was concerned about adding new programs which would reduce the dollar figure for the very necessary ones we all agree we must have. We tailored this bill toward a more conservative level and many of the controversial parts of the bill have been eliminated. For example preemption of State laws and also the subsidies for the enrollees in an HMO were stricken, and these were debatable items.

The bill we have here is, I think, a fair and reasonable one and an acceptable one.

In many parts of the country we have already set up some HMO's, and I have in mind one at Two Harbors, Minn., which, for many years has been operating successfully and doing a very good job entirely with their own money. One of the fears I have had consistently is that if we set up one delivery system with Federal dollars involved it may compete with what we already have and create an unfair situation.

We have been very careful about this bill and we hope it has a sort of a seed

money effect and that it will turn out that way.

Mr. Chairman, I will insert at this point an editorial from the Wall Street Journal:

PUTTING HMO's TO THE TEST

One of the more interesting debates coming up as Congress reconvenes is how heavily the government should promote formation of health maintenance organizations (HMOs), which are founded on a theory that it's better to try to keep people well than to wait for them to develop illnesses before treating them.

Whether HMOs are an attractive alternative to more traditional forms of health care delivery has had inconclusive testing and debate. There would seem to be no reason why some modest government aid should not be applied to carrying the test further.

But the HMO debate will also pit two opposing theories of government. It will be a good opportunity for Congress to demonstrate that it has moved beyond the kind of thinking, so common in the '60s, that tackles complex problems—to lift a Nixon phrase—by "throwing money at them."

The administration itself, it should be noted, was guilty in 1971 of that style of thought on health care. It adopted HMOs as a panacea for a general discontent over medical costs, proposing to make HMOs available to 90% of the population by 1980. Today, however, it is merely backing a $60 million, one-year House bill to subsidize HMO formation, which by federal standards, puts the program in the largely experimental category. Senator Kennedy, however, has pushed a bill through the Senate calling for spending $805 million over three years.

Some of the latter-day administration diffidence is perhaps attributable to budget concerns or possibly lobbying against HMOs by the American Medical Association. But the main reason is more likely a timely fear that a vast, taxpayer-financed federal overhaul of health care delivery might produce a fiasco on the order of, say, some of the housing schemes of the '60s.

Simple, facile prescriptions for the problems of American health care should always be approached with skepticism. Health care is a complex and pluralistic industry. Its quality and ability to meet varieties of needs is better than its critics maintain. Some of the difficulties of the poor which are blamed on the medical profession are far broader—having to do with nutrition, inadequate housing, drug misuse and ignorance of rudimentary principles of health protection.

But there can be little doubt that for some people, and for some types of illnesses, high costs are a fundamental problem. Past government efforts to deal with the cost problem, through such giant programs as Medicare, have reduced costs for some people but exacerbated them for others by increasing inflationary pressures in the industry. Massive subsidies, as usual, have generated new inequities.

Government can, however, tackle some of the problems of health care in relatively undramatic ways. Government, for example, has the authority to supersede self-regulation in the health industry when self-regulation has failed to allow broad enough access to the medical profession and sufficient scope for new methods of health care delivery, such as HMOs.

The administration's HMO bill moves in this direction through provisions that would seek to pre-empt state laws that inhibit the development of HMOs. These laws, for example, bar corporate practice of medicine or classify HMOs as insurance schemes that must meet certain capitalization requirements. This kind of legislative approach is tough and ticklish, involving as it does state and professional prerogatives. But in fact, nine states, with federal urging, have themselves moved to clear the way for HMOs since 1971 and another 20 or so have changes in the works.

This kind of hard, slogging legislative work is what government should be about. It is time to bury the idea that complex problems must always be tackled with dramatic, sweeping programs. Too often, such programs are characterized by lack of sufficient thought, a waste of taxpayer money and benefits to all sorts of people except those who have the problem.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. ROY).

Mr. ROY. Mr. Chairman, I would like to speak in support of the health maintenance organization bill which is before us. As has been stated, this was a bill that consumed considerable legislative time because there were areas of controversy but thanks especially to the works of the gentleman from New York (Mr. HASTINGS) and also to the able work of the gentleman from Minnesota (Mr. NELSEN), Dr. CARTER, of Kentucky, and other subcommittee members, we were able to bring before the House what I feel is an excellent health maintenance organization bill.

Health maintenance organizations are organizations that deliver medical care to a given number of enrollees who, for a prepaid amount, have a contractual right to the provision of this care by the health maintenance organization. Health maintenance organizations differ from insurance companies in that for the prepaid premium they deliver health care to the enrollee rather than pay for health care delivered by others.

We are facing, as most people know, great problems as far as the delivery of health care in this Nation is concerned. One of the greatest problems is the cost of health care. In 1972, last year, the total expenditures for health care in this country were $84 billion. Next year, it is estimated that the total expenditures for health care in this country will be $105 billion, an increase of $21 billion in 2 short years.

It is believed by the Speaker, and I believe by the members of the committee, that health maintenance organizations hold promise for holding down the rate of rapidly increasing cost of health care and the increasing expenditures the American people are presently making and will make for health care. There are several reasons why HMO's are able to do this. One is that a health maintenance organization is able to treat the enrollees, the patients, in appropriate facilities and by appropriate personnel. Another is the fact that the health maintenance organizations contracts are for relatively comprehensive care. When there are comprehensive benefits, it becomes much easier to treat the patient in the appropriate facility and by the appropriate personnel because there is not the situation whereby insurance pays one place but not the other and may be a determining factor in choosing the facility in which the patient is treated.

In addition, health maintenance organizations receive a prepayment for a given period of time, and because they have this prepayment and because they are obligated by contract to deliver comprehensive health care, they, like most other businesses and most other industries, must work within a predetermined budget. This results in efforts to stay within the budget while delivering quality care.

Mr. Chairman, I think we all realize that cost savings are not enough, that the quality of health care is even more important. I think, from the evidence which came before us in committee, that health maintenance organizations, and the prototypes of health maintenance organizations already operating in this country, are almost without exception delivering quality health care. There are several reasons for this.

Most health maintenance organizations rely upon a group practice to deliver the professional component of health care. This, of course, results in the individual physician being carefully observed by his fellow physicians. I think all of us realize that one of the great drives in any profession, even in the Congress of the United States, is the drive for the respect of one's colleagues and of one's professional associates. Some quality control comes about from this factor alone.

In addition, quality health care is often less expensive than health care of lesser quality. This is true when health maintenance prevents more serious illness.

The greatest contribution presently available to health maintenance is what is called first-symptom care. There is no barrier of payment to the receipt of health care. Therefore the patient is more likely to seek care and not say, "I will wait 2 or 3 days and perhaps I will feel better," and then suffer greater morbidity and need more care, and more costly care.

In this country, in addition, we have a maldistribution of physicians and other health professionals. We know we need additional access to and additional availability of health professionals, and that this maldistribution makes this difficult or impossible.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. STAGGERS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROY. Mr. Chairman, I would not like to mislead my colleagues by telling people the passage of an HMO bill is going to overcome the problem of the availability and accessibility, the maldistribution, of professionals. But I do believe the Health Maintenance Organization as an organization has the ability to plan and to reach out in such a way that there will be some improvement in the availability and accessibility of health professionals as a result of the establishment of additional HMO's.

Several other things should be said at this time. The HMO bill is not a panacea for all of the problems we face so far as cost, availability, accessibility and quality of health care are concerned. I believe this is basically a small step, albeit an important small step, toward encouraging a better organization of health care delivery.

I believe it is important to emphasize that I believe this small step will set up a ripple effect whereby the present health care delivery system of the private physician practicing fee-for-service medicine,

the voluntary private hospital, and the private pharmacist, the system we have presently, will work to improve utilization review and peer review, and it will compete successfully as it has wherever we have seen the establishment of prototype HMO's.

Again I congratulate the chairman of the subcommittee (Mr. ROGERS) and the chairman of the full committee (Mr. STAGGERS) for their help with the Health Maintenance Act. I especially appreciate the cooperation of the gentleman from New York (Mr. HASTINGS) and those on the minority side.

Mr. HASTINGS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. HUDNUT).

Mr. HUDNUT. Mr. Chairman, I rise in support of the passage of this HMO legislation.

I should like to express my appreciation to the Public Health and Environment Subcommittee, of which I am a member, and to the Committee on Interstate and Foreign Commerce, and to the distinguished chairmen of these two committees, for their very able leadership in developing this legislation, of which I am a cosponsor.

I believe that in a nation as large and complex as ours we must have, not a single but a pluralistic health care delivery system. I believe the HMO's can constitute a very useful and helpful part of this more total system of health care delivery, particularly as these HMO's affect medically underserved areas such as rural areas and ghettos.

I should like to make a statement about one portion of the bill, which I believe could be stronger, although I do not intend to offer an amendment on this subject.

I believe that mental health services should be included as a basic offering of HMO's rather than as a supplement to be contracted for on a voluntary basis. Mental health services are included in the basic offering in the Senate version of this bill, and our bill would be better if we had included them in the basic rather than the supplemental. But the committee did not feel that way, and I yield to their judgment.

It has been suggested that a high percentage, from 50 to 75 percent, of patients who present themselves to physicians' offices or to hospital emergency rooms are suffering from some form of mental or emotional problem.

If the old adage of "a stitch in time saves nine" has any merit, it would seem that an optimum working system within an HMO should include basic mental health services in order to maintain the mental health of the members, since their mental health is not only inseparable from, but contributory to, their physical health.

Mr. Chairman, I believe there is a demonstrable correlation between a person's mental health and his physical health, and if we were to include these mental health services as basic services, perhaps we could help in the long run to attack the problem of keeping Americans healthy by attending to their mental health needs in a more adequate way.

The American Psychiatric Association, representing about 20,000 of the 25,000 practicing psychiatrists in the United States today, testified before the Subcommittee on Public Health and Environment as follows:

> The Health Maintenance Organization shows great promise. It is innovative and emphasizes preventive health care and maintenance. It offers incentives to keep the population healthy—the Health Maintenance Organization should provide adequately for the mental health as well as the physical health needs of its enrollees—The American Psychiatric Association urges that Mental Health Services be placed under basic benefits. We maintain that mental well being is necessary for good health. For we, as psychiatrists, have it dramatically demonstrated to us, day in and day out, that nothing at all is meaningful to the individual or to the family, in the absence of mental health.

Mr. Chairman, I might add that as a clergyman I have had this same fact demonstrated to me for many years in my professional life.

Another reason for believing that mental health services should be basic and not supplemental is that the cost would not be as burdensome as many people suppose. I believe we must dispel the myth that mental health services inevitably mean tremendous extra cost in general, and here in particular, as they might be built into the health maintenance system. It is remarkable as well as unfortunate that the rumor persists that including coverage for mental illness in health insurance plans would cause rates to skyrocket. I do not believe a thorough investigation of the matter would bear this out.

Just for example, the National Association for Mental Health, using as its source a study of more than 40 private health insurance plans as well as several Government plans under the title "Health Insurance and Private Psychiatric Care: Utilization and Cost," has indicated that at 1969 hospital cost levels, coverage for hospital care of mental conditions could be provided to a working population for about $4.50 a year for each person covered, that this would provide up to 365 days' care per admission in all types of hospitals, and that coverage of physicians in hospital service and major medical benefits for outpatient psychiatric care would add about $3 more per person covered.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HUDNUT) has expired.

Mr. HASTINGS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Indiana.

Mr. HUDNUT. In Wichita, Kans., Armfield-Cole Consultants, working on an electricians' union health and welfare plan, were advised in July 1972 that Aetna Life and Casualty Co. would be willing to quote "80–20 percent coinsurance out of hospital mental and nervous coverage for the group with an additional monthly cost on a composite rate basis for this feature of 38 cents, or a little more than $4 a year."

The American Psychiatric Association estimates that the probable cost of providing mental health benefits at current rates would be at a low level of some $7.50 to $15 per year—covering hospital care, inpatient physician service and out-patient care—and at a higher level would possibly range from $8.65 to $17.30 per year.

So, Mr. Chairman, I believe when we are talking about the additional cost of maintaining mental health service coverage in the total premium cost, recognizing that the emphasis is on ambulatory care, rather than bed care, and that we are not talking about long-term hospitalization for chronic mental illness, it seeems that such coverage can be provided for somewhere between $4.50 and $7.50 per year or 35 cents to 64 cents a month.

Mr. Chairman, finally, I would like to ask one of the distinguished members of the committee:

As I understand this legislation, it is not intended to subsidize private medicine; it is not intended to become socialization of medical practice here in America; it is limited in scope and experimental in nature. Is that a proper understanding?

Mr. NELSEN. Mr. Chairman, if the gentleman will yield, my answer to the gentleman is that that is my interpretation.

I just wish to add this: The gentleman referred to the mental health services which have been included as basic benefits.

In my State of Minnesota, many, many years ago, we set up our Community Mental Health Centers. As a result of that, the number of in-patients in our State hospital is way down, and many of the people who might have gone to the State hospital are back home living useful lives.

Mr. Chairman, I wish to congratulate the gentleman for his reference to this particular feature of the bill.

Mr. HUDNUT. Mr. Chairman, I thank the gentleman from Minnesota for his remarks.

Mr. ROY. Will the gentleman yield?

Mr. HUDNUT. I yield to the gentleman.

Mr. ROY. I am sympathetic with the gentleman, Mr. HUDNUT, regarding the delivery of mental health services. Personally, I wish every service could be mandated and this could be totally comprehensive, but it was necessary because of the cost of the total package to eliminate some services. Unfortunately, mental health services was one of the services chosen to be eliminated from the basic benefit package. They are supplemental.

Mr. HUDNUT. That is correct.

Will the gentleman answer this question, since he is the primary author of this bill? Is it your understanding that this bill is basically experimental and it is not intended to unravel into a long-term subsidization of American medical practices?

Mr. ROY. I do not feel the HMO's are experimental, but I would feel Federal support for the establishment of HMO's is indeed experimental. I do not think we will get into the practice of subsidizing them over a long period of years, and this bill does not subsidize those that are regulated but only assists in the establishment and the maintenance of them.

Mr. HUDNUT. The point of the bill is to help them get established on their own feet and then become self-sustaining. Is that correct?

Mr. ROY. That is correct.

Mr. STAGGERS. Mr. Chairman, I

yield 10 minutes to the gentleman from Kentucky, Dr. CARTER, a member of the subcommittee and a member of the full committee.

Mr. CARTER. Mr. Chairman, let me at this time state my support for the Health Maintenance Organization Act of 1973 (H.R. 7974). My colleagues and I on the Public Health and Environment Subcommittee have devoted intense study to the development of a reasonable and effective measure to assist in the further exploration of the advantages and disadvantages of prepaid group practice.

Essentially, the bill under consideration provides $190 million in grants and $50 million in loans over 4 years for HMO development. It authorizes separate grants and loans for feasibility planning and initial development, and loans for operating costs for 36 months. Eligibility would depend upon an HMO's offering basic and supplemental health services on a prepayment community rating system basis through either group practice or individual practice associations such as a medical foundation. Let me point out here that basic health services include all types of hospital and physicians' services and specified lab preventive services. Supplemental services must be offered by an HMO, but are not part of the basic package, and would require extra payments by the subscriber.

Authorization levels for the measure are $40 million for fiscal year 1974, $45 million for fiscal year 1975, and $50 million for fiscal year 1976. This would all be for grants to HMO's, and an additional $55 million is authorized for fiscal year 1977 for initial development grants only. The bill defines a number of requirements to be met prior to the approval of grants, loans, or guarantees, and the Secretary is authorized to bring civil suits against HMO's which fail to provide services promised in grant applications.

Under this legislation, grants are authorized to public and nonprofit organizations of up to $50,000 to pay for feasibility studies to determine the need for an HMO in a particular area. No project may receive more than one grant and all projects must be completed within 12 months, except that the Secretary may authorize no more than one additional grant and up to 12 additional months to complete the project if he determines this is necessary. Priority in grant approvals must be given to medically underserved areas and such grants may cover 100 percent of project costs. For HMO's in other areas, only 90 percent of project costs may be covered by Federal grants. All grant applicants must pledge to cooperate with areawide health planning agencies and to consult with any medical societies in the area.

Further, the Secretary may also make grants or loans to public or nonprofit entities for plannng and initial development costs for HMO's. Loan guarantees and contracts are also available to private organizations for such purposes when an HMO is to be built or expanded in a medically underserved area. Only one loan, grant, or loan guarantee is normally permitted per project and under no circumstances may the Secretary authorize more than one additional grant, loan, or guarantee—where he determines this is necessary.

Planning grants, loans, and guarantees are limited to $125,000 and may not cover more than 90 percent of project costs except in medically underserved areas, in which case the full amount of project costs may be borne by the Federal Government. As with feasibility studies, grant applicants must cooperate with areawide planning agencies and consult with medical societies in order to be eligible.

Initial development grants, loans, and loan guarantees are limited in amount to the lesser of $1 million or $25 times the number of members to be enrolled in the HMO when first becoming operational. Again the maximum grant cannot be greater than 90 percent of the project cost for regular projects or up to 100 percent of project costs for HMO's in medically underserved areas. No initial development or planning assistance commitments may be given by the Secretary after June 30, 1977.

H.R. 7974 also authorizes loans to public or nonprofit HMO's to assist them in meeting initial operating costs for the first 36 months, or to assist HMO's in meeting operating costs incurred after a significant expansion of membership or area served. This section also authorizes loan guarantees to cover initial operating costs to private HMO's in medically underserved areas. Loans and loan guarantees are limited to $1 million per fiscal year, and in no case may the aggregate of such loans or guarantees exceed $2.5 million. All loans and loan guarantees are to be financed from a loan fund established in the Treasury, for which $20 million is authorized in fiscal year 1974 and $30 million in fiscal year 1975 to capitalize the fund. The amount of loans allowable in any year is to be determined by appropriations acts.

It is my feeling that Federal legislation is needed as a temporary measure in order to stimulate the introduction of HMO's into a broader market. The need for Federal coverage of initial operating costs is clear, and we must further emphasize the critical needs of our medically underserved areas.

Mr. Chairman, we have worked to produce a bill that will not work a severe hardship on the taxpayer, and at the same time will help us look more closely at ways to improve health care delivery in our Nation.

I urge my colleagues to support this reasonable and important measure.

Mr. HASTINGS. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, let me commend our committee for clearing up two sections in this HMO legislation. The final bill eliminated the subsidized capitation payment which would have provided coverage to individuals above medicaid's earning level. Unless this had been changed we would have been on the road to nationalized health insurance.

The second clause that was removed was an overbearing provision because this provision had preempted existing State laws.

The final bill restores the balance in State-Federal jurisdictions.

But the thing I wanted to stress strongly today was to urge that our conferees hold firm within the conference. The original Senate bill asked for $5 billion. That is where the Senate started, $5 billion. The Senate subcommittee reduced this to $3 billion. The full committee cut this down to $1.5 billion. And on the Senate floor, where they had 2 full days of debate on the bill, where they had four amendments, the bill was passed for $805 million. Now, although this was only 15 percent of the starting sum, it shows the Senate intentions of creating a real financial tiger. While the Senate is asking here for $805 million, the House bill requests only $240 million. This is a big difference. Even with the Senate ending up asking $805 million, it is a mighty big spread from the House version of $240 million. So I want to urge strongly that the conferees hold this program to a sound logical commitment while we are testing and experimenting with ideas so that we will avoid fiscal irresponsibility.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 7974 which is designed to provide a 5-year program of Federal assistance to develop new health maintenance organizations—HMO's—in this country. The HMO concept is nothing new in America; HMO's have been around for some 40 years, and at present there are some 482 HMO-type organizations serving 12.2 million subscribers. These prepaid, comprehensive group practice plans are particularly suited to lowering health costs, encouraging preventive care, improving efficiency, providing more appropriate allocation of health services, and reducing hospital overutilization.

And yet, despite the obvious advantages of HMO's and the fact that they have been in existence for so long and have proven themselves, the fact remains that only 2.5 percent of our population is currently covered by HMO's, and they have not experienced the type of growth which should be commensurate with their success and desirability. This can be attributed in large part to their high start-up costs, and the purpose of the bill before us today is to remove this initial financial impediment by providing Federal start-up assistance. Specifically, this bill provides $190 million in grants and $50 million in loans over 4 years for HMO development. This includes $40 million, $45 million, and $50 million in grants and contracts for feasibility studies, planning and initial development in fiscal years 1974, 1975, and 1976 respectively; $55 million in grants and contracts for initial development in fiscal 1977; and $20 million and $30 million in fiscal years 1974 and 1975 respectively to capitalize the loan fund for initial operating costs.

Another obstacle to the initiation and expansion of HMO's in the past has been their inability to compete effectively with existing employer health benefit plans and private insurance programs. This is

because the premiums for HMO's are generally greater than those for an insurance plan because HMO's provide more comprehensive coverage. Thus, although the premiums may be higher, this is deceptive because a family's total health care costs under HMO's is actually less than under the private insurance programs due to the greater benefits afforded by HMO's.

This bill would meet this problem by requiring that employers offer HMO's as an option in employee health benefit plans, thus giving employees a greater choice and at the same time providing a spur to the growth of HMO's.

Mr. Chairman, I think it is important to point out that this bill does not establish a permanent, federally operated health maintenance organization program. The HMO's will be privately operated, and the Federal support will terminate after 4 years. This bill is limited to providing the necessary seed money and incentives for establishing new HMO's to serve a larger portion of our population.

Finally, Mr. Chairman, I want to emphasize that this bill does have the support of the administration, though it is not identical to the original HMO bill proposed by the administration back in 1971. In his State of the Union Message this week, President Nixon said, and I quote:

> An attainable goal for these final months of 1973 is passage of the Administration's proposed Health Maintenance Organization Assistance Act, which would provide Federal money to demonstrate the promising innovation of group medical centers where quality care can be maximized and costs minimized. . . . The House is presently developing a bill which would be a fiscally responsible demonstration effort. If such a bill is passed by the full Congress, I will support it.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. PREYER).

Mr. PREYER. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of the bill.

Mr. Chairman, I want to make just a few general points.

First, I think when the voters at home ask, "What have you done in Congress to reduce the cost of delivering health care in this country?" the one thing we can point to, and it may be the only thing we will be able to point to in this session, is this innovative approach, the health maintenance organization bill. Perhaps it is only a baby step in the direction of reducing health care costs, but it certainly is a step in the right direction, and one we can point to with justified pride. I hope it will be supported by everyone.

Second, I want to point out that this bill represents an effort in cooperation in the best sense of the word. We have heard a lot about the spirit of cooperation in the past few weeks here in the Congress. This bill in concrete form represents this, I think, in an admirable way. I do not imagine there are many bills that have ever been considered in this House that have had more hours spent on them than this bill. I doubt there are many bills that have been redrafted more times than this particular bill. We have changed it. We have modified it as new information came to light, as new positions formed on it. I think now that all of that time was worth the time that was taken on the bill. It has been settled down into a very solid piece of legislation.

I think the gentleman from Florida (Mr. ROGERS) deserves most of the credit for being able to put this bill together while considering so many different sources and shifting pressures, and shifting information.

Finally, I want to commend Dr. BILL ROY and his staff for all they have done on this bill. BILL is the principal craftsman of this bill and has been the moving force behind it. I think for a second-term Congressman to draft and get passed a bill involving such a major change in health policy is a truly remarkable achievement. It took not only intelligence, it took a great deal of stamina, because he was involved in it literally day and night. I think that this bill and his role in it will turn out to have been a truly historic contribution to American medicine. I think all of us in America who will be sick—which is all of us—will some day be very grateful to him for all he has done.

Mr. HASTINGS. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, I rise for the purpose of directing a question or two to the chairman of the committee. I refer first to section 1211, which is the program evaluation section. Originally this bill, before its final amendments included several HMO mixes providing subsidies in a limited number of HMO's to provide membership for the indigent, individuals in underserved areas and individuals with high health risk which would be evaluated over a 3-year period of operation.

Since they have been omitted, I would like to ask the chairman to state, if he will, exactly what is intended and expected of this evaluation section now. What may we reasonably expect it to produce?

Mr. ROGERS. I should hope that the evaluation would go to the entire operation for these 36 months.

We would want to know how they operate, what it is costing people, the quality of care they are getting—in other words, is this really a worthwhile program, to make a judgment as to whether we should want to expand this type of program as had been recommended by HEW when it first went to it. I think the gentleman has played a very significant role in making sure that we do have a proper evaluation on which I agree with him, and the subcommittee supported him in that we ought to have a proper evaluation before moving ahead to embark on this tremendous program.

Mr. SATTERFIELD. It is contemplated, then, that we would get this report before we would proceed further with HMO programs?

Mr. ROGERS. Yes, it is, and I think that was the intent of the committee.

Mr. SATTERFIELD. I am concerned with another part of this section. Item 2 refers to the general provisions respecting evaluation and review of HMO's.

I invite the gentleman's attention to subsection (d) of section 1206 which says that before a grant can be made to one of these HMO's, there must be organizational arrangements, established in accordance with regulations of the Secretary of Health, Education, and Welfare which deal with the process to be followed in the delivery of health services.

I am wondering if the chairman could state for me exactly what is intended by this phrase. Are we talking merely about the operation in the HMO, or are we talking about the health delivery process employed by individual physicians in the HMO's?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HASTINGS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Florida.

Mr. ROGERS. I would say that this has to go to the services rendered in the whole process within the HMO. This is what we are looking at.

I might yield to one of the coauthors of the bill, Dr. ROY, who is a physician, also to amplify that intent of the committee.

Mr. ROY. I thank the gentleman.

Mr. Chairman, it is my interpretation that when we are speaking of having organizational arrangements, we are talking about making health care availble and accessible. It is obviously not enough to take prepayment and not provide the care that is contracted for. I think this is what we are speaking of with regard to organizational arrangements.

The second part of that is an ongoing quality insurance program. We determined in committee that we did not want to set up, in addition to the present attempts to establish professional standards, review organizations, additional quality controls for HMO's.

But we did ask the Health Maintenance Organizations to establish an internal quality review and then to assure us that they were following the procedures they had submitted to the Secretary with respect to internal quality review.

Mr. SATTERFIELD. When we talk of delivery of health services in this section then we are really referring to whether or not an HMO provides the basic services provided in the first part of the bill rather than the manner in which the procedures followed by the physician would provide a specific health service?

Mr. ROY. I agree with that entirely.

Mr. SATTERFIELD. I thank the gentleman.

Mr. STAGGERS. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas (Miss JORDAN).

Miss JORDAN. Mr. Chairman, the Health Maintenance Organization Act of 1973 which we are considering today is the most significant, innovative health legislation to reach the floor of the House in many years. H.R. 7974, which authorizes $240 million over the next 5 years to support and develop health maintenance organizations, has a long history

in the Congress with an equally long list of predecessor bills. It is not a revolutionary program, as it builds on some 40 years of experience in this country with HMO's. Last year 7 million people were served by HMO's. The Federal Government has been providing the kind of support envisioned in this bill for several years. Passage of this bill, however, will institutionalize Federal involvement in this organized, comprehensive system of health care delivery, and, hopefully, bring about a quantum leap in its availability across the Nation.

There is a steadily growing need for HMO's, as medical costs continue to rise and persistent gaps in medical service and inadequate coverage in insurance plans remain. Americans spend more of their income on medical care than any other people in the world, and HMO's are designed to bring those costs down, while increasing the quality of care. HMO's provide economies of scale, efficient management, and better, more productive uses of health manpower. There is considerable evidence that they can successfully reduce the cost for quality medical care and, even more importantly, provide preventive health services which reduce the need for extensive corrective care.

People in Texas are increasingly aware of the advantages of HMO's and have recently begun to make organized efforts to establish HMO's within the State. The Group Health Association of America has contracted with HEW to help develop HMO's in Texas. A coalition of labor, religious, senior citizens, consumers, and health professionals is forming to promote HMO's in the State, and the resources provided in this bill will be critically important to them. HMO's are extremely expensive organizations to establish, so that Federal capitalization is essential. A medical team has to be assembled; a sufficient number of patients who will pay in advance for their benefits has to be signed up. Three years are usually required for a profitable arrangement to work itself out, and during that time the Federal Government's help is essential to meet operation losses. I am hopeful that speedy action will be taken in Texas to remove existing statutory or regulatory barriers to the establishment of HMO's, since the bill we are considering today will not override such existing restrictions.

Passage of this bill today should reverse the trend of recent years which has seen medical care become increasingly difficult to find, to pay for, and to be reasonably satisfied with. I urge my colleagues to support this bill.

Mr. STAGGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I support this legislation and would like at the same time to advise the Members of the crisis that many of our citizens face with respect to health care in the fifth largest city of our Nation. I am trying to figure out in my mind how and when and if the HMO Act of 1973 is going to ever get to them.

We started off with the OEO programs which subsidized clinics to operate on a nonprofit basis, and then through the machinations of HEW they were forced under a new program where they had to pay their own way. Is it not true that the HMO's will have to pay their own way? This question is addressed to the chairman of the committee or the chairman of the subcommittee, or the coauthor of the bill.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, yes, the HMO's do require that.

Mr. CONYERS. Mr. Chairman, if that is so, this is not going to do one thing for the millions of people who are involved in the health crisis that was reported in the committee's findings, is that right?

Mr. ROGERS. No, that is not necessarily true.

Mr. CONYERS. How are they going to be able to afford to pay for the health maintenance organization services if they are unemployed? If they are not working? If they cannot pay for the cost of medical services?

Mr. ROGERS. Mr. Chairman, if the gentleman would permit me to answer, I would tell him that this program is designed to be experimental, to be a demonstration program. It is true that some way of payment would have to be worked out. If they have insurance, if they are on medicare or medicaid, the law permits use of health maintenance organizations for people in that category. It will not help people who simply are not covered by those laws and have no other way of paying. That is a true statement.

So, some plan has to be worked out for payment so that they could have entry into these 100 organizations that will be set up, but it will help many people who cannot now pay for the cost by allowing them entry.

Mr. CONYERS. Mr. Chairman, I thank the gentleman for his response. I know he has done superior work in this area.

But how many health maintenance organizations do we have in mind, considering the millions of people who cannot afford medical services in this land? As the subcommittee chairman knows, groups of citizens in Detroit have been trying for a long time to get in the Federal door on any kind of program like this with only limited success.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. STAGGERS. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan.

Mr. ROGERS. This program anticipates about 100 in this period of time. Then, evaluating where we should look in this whole area. But the gentleman is correct, it will not solve all the problems, this beginning program. This is more of a demonstration, a pilot program than anything else. I will agree with this statement.

Mr. CONYERS. Mr. Chairman, I thank the gentleman for the information, because I think there are going to be some Members, unfortunately, who are going to think that the need for supporting comprehensive medical delivery systems nationally is in some way abated because of the passage of this bill, if we are successful here today.

Mr. ROGERS. No, this is not a financing bill.

Mr. CONYERS. It is not a providing bill either. One hundred health maintenance organizations is a delivery system that will only affect a few hundred thousand people.

Mr. ROGERS. This is correct.

Mr. HASTINGS. Mr. Chairman, I have no further requests for time. I would like to take this opportunity to thank the chairman of the subcommittee, Mr. ROGERS, for the work he has done in the consideration of the health maintenance organization bill; and certainly the chairman of the full committee, Mr. STAGGERS, for giving us time on the floor.

I would be delinquent here if I did not give credit where credit is due, to Dr. BILL ROY, who probably had more to do with the development of this legislation than any other individual.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Maine (Mr. KYROS).

Mr. KYROS. Mr. Chairman, I take this opportunity to express my full support for the eloquent remarks made by my distinguished colleague, Mr. HUDNUT, in behalf of our amendment to H.R. 7974.

The Health Maintenance Organization, Mr. Chairman, is designed to offer a comprehensive approach to the health care needs of its subscribers. Without the inclusion of mental health services as a primary benefit, along with physicians' services and hospitalization benefits, that claim to comprehensiveness would not be legitimate. In 1973, with the scientific knowledge which is available to us, it would be a very great mistake for the Federal Government to perpetuate the erroneous assumption that physiological and psychological problems can be viewed and treated separately, as though the one had nothing to do with the other. Medical science has long since come to the realization that this is not the case, and it is time that the Federal Government followed suit. As the American Psychiatric Association testified to the members of the Public Health Subcommittee, "Mental well-being is necessary for good health. For we, as psychiatrists, have it demonstrated to us, day in and day out, that nothing at all is meaningful to the individual or to the family, in the absence of mental health."

Mr. Chairman, there is no question in my mind that the amendment which we are offering today is scientifically responsible. But what I want to emphasize to the membership of this body today is that it is fiscally responsible as well. A number of comprehensive studies have been made in the last few years which indicate that the cost of providing mental health services in HMO's would by no means be prohibitive, or price HMO's out of the competitive arena. This is largely due to the fact that the HMO has as its major emphasis ambulatory outpatient care, rather than long-term hospitalization for chronic illness. Additionally, the mental health services provided by an HMO would not be those of psychiatrists alone. Rather, the use of well-trained paraprofessionals would be stressed to keep costs down.

In short, Mr. Chairman, it is my contention that both scientifically and fiscally, mental health services can, and must, be made a primary benefit under

H.R. 7974. In so doing, we will improve upon what is already an outstanding piece of legislation.

Mr. STAGGERS. Mr. Chairman, I yield to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I would like to add my voice to those who have already risen in support of this HMO legislation. The committee report makes note that in New York we have already existing one type of an HMO that might be funded by this bill, the health Insurance plan (HIP). As the committee report notes the use of HMO's can lead to fewer and shorter hospital stays, more preventive medicine, and a better chance of assuring real quality control, all while keeping down the rising cost of health care. However, it should be noted at the outset that this legislation is at best minimal and marks only the beginning.

Americans spend more per capita and a larger share of the gross national product—7.6 percent—on health care than any other nation in the world. Last year the total, average health bill per person in America was $379. This cost represents an increase of almost 200 percent since 1960. In the last 6 years the average per day hospital cost rose over 100 percent to more than $100 per day.

The legislation before us today authorizes approximately $240 million, a figure that is less than one-eighth of 1 percent of our total health bill for 1 year. It authorizes it for the development and expansion of a program that has demonstrated an ability to provide, for its enrolled population, longer life, lower medical bills, and over all better health care. This measure, if adopted will, through its community rating system, guarantee that high risk enrollees will not be priced out of the health marketplace. This will give some reassurance to those who need this care the most, the elderly and the chronically ill, that they can receive quality health care without exhausting either all of their own resources or those of their relatives.

The other sections of this bill which will give priority to medically underserved areas is a much to be desired feature. As the committee report noted:

> In many places, while physicians and hospitals do exist, they are not accessible outside of the regular working week. It is often impossible to obtain any medical care except in emergency rooms in the evenings or at night.

Unfortunately, the situation described is often the rule rather than the exception for many of my constituents. While many people believe that New York, with its great medical institutions, can provide quality health care for all, the situation in reality is that New York attracts many fine and brilliant specialists but the problem for the family with an ill child at night is as difficult in New York's inner city as it is in any rural area.

With the passage of this much-needed legislation we will be a long way toward assuring every American a decent health system at a cost that he or she can afford. Let us hope that the passage of this measure will mark the start of a new campaign for real and more substantive health programs.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I just want to take this time to say that I think the House should recognize the very outstanding work the Members of the subcommittee have done. They have worked with this problem long and hard.

Dr. ROY was so helpful and the real mover of this legislation. Mr. HASTINGS of New York had a great input in bringing about compromise. Mr. NELSEN, Mr. CARTER, Mr. PREYER, every Member; all of them have helped in a most significant way. I feel the committee and the subcommittee are due the credit for seeing that we have been able to work out a bill which I think meets the significant suggestions to bring about some progress in this area and an acceptance I think by almost every group in this country.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. STAGGERS. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am delighted to yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I want to commend the subcommittee and the full committee for the approach they took on this bill. There was a natural temptation to make this a larger bill, to try to solve a great many, if not all, of our health problems. The inclusion at the beginning of matters pertaining to capitation grants and preemption of State laws involved controversial matter for many States. The subcommittee dropped back and said, "Let us get on common ground and agree on a sound basis and put it to a sensible test."

There is a need for this type of health program. If we can make it work it will be of great help to the people of this country.

The committee has bent over backwards to work out these problems and let us all take a good long look at the program. I commend the committee and I certainly support the legislation.

Mr. ROGERS. I might say that the gentleman from Virginia (Mr. SATTERFIELD) was one of the driving forces in getting us to come into a compromise position.

Mr. PICKLE. Yes. His was a wise voice.

Mr. ROGERS. I thank the gentleman.

Mr. STAGGERS. Mr. Chairman, I yield 1 minute to the gentleman from Kansas (Mr. ROY).

Mr. ROY. Mr. Chairman, I should like to thank every Member of the subcommittee and of the full committee for making it possible for this bill to get to the floor. I should especially like to thank the gentleman from New York (Mr. HASTINGS) because I believe without his legislative skill we might very well not have arrived at being able to bring the bill to the floor of the House of Representatives. I especially thank him.

Mr. STAGGERS. Mr. Chairman, I yield myself 1 minute.

I want to congratulate and commend all the Members of the subcommittee, who did work hard in compromising and working out the provisions of this bill, which I believe will be of great benefit to the masses of the people. Certainly it will be a new type of landmark legislation.

With that in mind, I say to all the Members of the House that I believe the bill should be passed unanimously by the House, and I urge that this be done.

Mr. MICHEL. Mr. Chairman, "hospital" has been a magic word in this Chamber for many years. Any piece of legislation that has anything to do with hospitals is almost guaranteed passage by the House, because no one feels he can justify an "antihospital" vote to the folks back home.

All it takes is a whisper from the cloakroom about Hill-Burton or Public Health Service hospitals to fill page after page of the CONGRESSIONAL RECORD with eloquent speeches on the need for better health care facilities in this country.

It is easy to associate better health care with new hospitals, because buildings are so highly visible. There they are, eye-catching, concrete examples of how much we really care about our sick and our poor, and how much we are doing for them. It is easy, but it is a copout.

The fact of the matter is we are overbuilding hospitals in this country—overbuilding in the areas that need them least, and the resulting effect is just exactly the opposite of what we say we want to do. These unneeded hospital beds result in higher health costs, increased insurance costs, higher taxes and deterioration of the quality of health care provided.

I am sure most of us have seen the series of articles that appeared recently in the Washington Post concerning the uncontrolled building boom that is going on in this area—a boom that some say will result in as many as 2,300 unneeded hospital beds.

The tragedy is that this is not happening just in this area alone. The chickens are coming home to roost, and the results of our knee-jerk reactions to hospital and health care legislation are beginning to become as visible as the empty beds in the expensive, unnecessary new hospital wards.

Earlier this afternoon we saw a very close vote on the President's veto of the Emergency Medical Services legislation. A part of that issue, again, was hospitals—Public Health Service hospitals—and the emotionalism of the controversy came close to carrying the day.

Now, here we are preparing to go off in another direction with a concept that is at best dubious and unproven on the scale that is proposed.

While I do support this legislation, because I believe we need to fully evaluate the potential that Health Maintenance Organizations appear to offer, I also believe there are still too many unknowns to justify launching Federal support of HMO's on a massive scale.

The House bill may be more than is actually necessary to fully test the value and effectiveness of HMO's, but it is far preferable to the legislation that has been developed by the other body, and my major concern at this point is what will come out of the conference committee.

I hope our conferees will be able to stand firm on what the House does here

today, because I would find it extremely difficult to justify support of anything that goes beyond the legislation before us.

We have the potential here for another "easy out," because a beautiful, new Health Maintenance Organization can be just as visible as a beautiful new hospital. And just as inappropriate to the health needs of the community, I urge my colleagues to give this some thought as we consider this bill this afternoon.

Mr. HARRINGTON. Mr. Chairman, I rise today in support of H.R. 7974, entitled the "Health Maintenance Organization Act of 1973." The bill is designed to assist and encourage the establishment and expansion of health maintenance organizations.

It is well known that the present health care delivery system has several shortcomings. First, many people cannot obtain health care when they need it and in the form they need it. This is the result of: First, the unavailability of adequate manpower and facilities; second, the unaccessibility of physicians, nurses, and hospitals, due to poor transportation, language or racial barriers, inadequate hours, et cetera; and third, the discontinuous treatment of the patient. While health care may be available and accessible, a patient might not be treated as a person with a continuing or a variety of problems, but rather as a single isolated health care problem incident.

A second problem is the rapidly increasing costs of health care services. The present system is a model for inflation, with a limited supply of health care service facilities having a fragmented financing mechanism, coupled with a soaring demand for health care services. Uneven efforts toward effective cost review and control have accompanied the traditional reimbursement of providers—by the Federal Government, insurance plans, and hospital and medical service corporations. In addition, services are often duplicated or used inefficiently. Furthermore, the present system has an improper structure of incentives. One finds that no group, individual, or organization is responsible for the use of more economical facilities and services, including those related to preventive care. Thus greater income is generated for the providers by the use—more often—of more expensive facilities and services.

The third shortcoming is the quality of the health care delivered. The quality varies throughout the country, from the very best to very poor. As there are no means to measure the quality of the health care process or the health care results, it is extremely difficult, if not impossible, to effectively design and implement a program to rectify defects.

The preceeding was not intended as a comprehensive look at the health care crisis in America. Rather it was an attempt to highlight some of the major shortcomings of the present system. One alternative means to help alleviate some of the problems is the health maintenance organization—HMO.

An HMO is an organization which operates or manages an organized health services delivery system to an enrolled group of persons for whom the organization furnishes the needed services for a prepaid fixed fee. The HMO will lessen the difficulties posed by the current health care delivery system by addressing directly the problems of availability, accessibility, and continuity of health care services, since it is a health care delivery system. It is responsible to its enrollees to furnish those health care services necessary to meet the obligations it undertakes.

The HMO should provide incentive toward decreasing costs in delivering health care. The providers are obligated to deliver a specified set of health care services to a limited number of people prepaying fixed sums of money. This fixed amount of income provides an incentive to control costs. Dr. James Cavanaugh, former Deputy Assistant Secretary for Health and Scientific Affairs for the Department of Health, Education, and Welfare, has underscored the basic advantages of the HMO—p. 216 of the March 6–7, 1973, subcommittee hearings:

> HMO's reward efficiency whereas the current system all too frequently rewards excessiveness. While fee-for-services providers rely on illness for their livelihood, HMO providers gain most from health.

While conclusive judgments cannot as yet be made, the record on the surface demonstrates that HMO's have made improvements in the efficiency of health care. Available evidence—pages 162–164 of subcommittee hearings—indicates that, while outpatient visits to doctors went up, both hospital admissions and hospital patient days went down rather dramatically and drug prescriptions decreased sharply.

At the present time, the Department of Health, Education, and Welfare is utilizing funds from the following sections of the Public Health Service Act for planning and developing specific HMO's: 314(e); 304; and 910(c). I agree with the Under Secretary of Health, Education, and Welfare that additional legislation is needed. First, it is necessary in order for HEW to make operational grants and contracts to those HMO's that will extend their services to medically underserved areas. The beginning costs in these areas are so high that additional support is needed for a viable demonstration. Although prepaid group practice is more efficient, Government support is necessary because private capital is unwilling to undertake the risks inherent in developing a new plan. Second, the passage of this bill would provide congressional endorsement for the concept of a demonstration which would enable HMO's to receive more private capital.

Mr. Chairman, I will not analyze the bill in detail, but I would like to summarize its main provisions. The bill authorizes grants and contracts for planning costs, with priority for medically underserved areas. It also provides Federal loans and loan guarantees to HMO's for initial operating costs and for the construction of facilities. H.R. 7974 would subsidize the premiums which an indigent individual or a high-risk enrollee would pay to an HMO. A specfied number of urban and rural HMO's would receive grants and contracts for these purposes, with limitations on retention rates.

Section 1215 of H.R. 7974 provides for a Federal preemption of State laws and practices which restrict or inhibit an HMO from providing services. This section removes a large impediment to the growth of HMO's.

In addition, Congressmen HUDNUT and KYROS are offering an amendment this afternoon to require that mental health services be offered in all HMO's as a basic rather than supplemental benefit.

One in 10 Americans suffers from mental illness. By refusing them access to HMO's, we perpetuate the double standard which has characterized our attitude toward mental illness. Somehow, mental illness is still not a valid illness, it is something shameful, to be hidden at all costs and ignored whenever possible. Our Government has helped to perpetuate this concept of mental illness when it should have been leading the fight to eradicate this dark ages mentality and provide those suffering from mental illness with adequate health care.

I have introduced legislation to provide equal national health coverage for mental and physical illness. This amendment will legitimize mental health care and put Congress on record as making a start at recognizing and correcting the existing inequality. In addition, all available studies demonstrate that mental health coverage does not substantially increase the cost of health care systems. It is in our own interest to obtain final and conclusive cost data so that when we act on national health insurance, we will provide coverage for mental illness. And, of course, it is imperative to act now to help at least some of those 20 million Americans presently suffering from mental illness.

CONCLUSION

Mr. Chairman, we all know that national health insurance is necessary. Health costs have risen faster than any other sector of our economy. The health care industry employs the second highest number of people of any industry in the Nation, and it is continuing to grow. The middle-class individual is caught in an economic squeeze and is finding it harder and harder to obtain and pay for adequate health care for himself or herself and their families. We have an obligation in Congress to find ways of guaranteeing every American the right to decent health care, and the passage of the HMO legislation will allow us to observe the effectiveness of this particular approach to the health care crisis.

National health insurance will probably not be voted on by Congress until 1975. In the meantime, the establishment of HMO's should give us an indication of how effective Federal funding can be in the health care delivery system and will provide guidance for future input into a national health insurance program.

The passage today of the HMO legislation will be a significant step by Congress toward recognizing its role in health care in America.

Mr. CULVER. Mr. Chairman, the continuing health care crisis and the low priority being accorded this urgent problem has been recently demonstrated by the Presidential veto of the Emergency Medical Services Act and the recent crit-

icism of the administration's inaction in this area by its own former Surgeon General.

There is an urgent need to improve the availability of adequate health care in the Nation and to keep the cost of such care within the means of the average citizen. The high cost of medical care is causing a particular hardship upon many elderly and other people who must live on a fixed income during these times of inflation. Furthermore, adequate health care is not available at all to many Americans who live in the Nation's rural areas.

The President's refusal to sign the Emergency Medical Services Systems Act of 1973 was tragic. This act creates a new program of Federal assistance in the development of emergency medical services. Passed with substantial bipartisan support in both houses of Congress, the act would be a major step in promoting effective delivery of emergency health care.

Not only has the administration vetoed new health legislation, but apparently it is also dragging its feet in implementing existing medical programs needed by the country, according to widely reported statements by Dr. Jesse I. Steinfeld, former Surgeon General of the U.S. Public Health Service under President Nixon. He charges that Federal health affairs are in "a kind of chaos."

Under these circumstances, therefore, it is imperative that Congress continue to press for a national program which provides adequate and available health care to all Americans at a reasonable cost. This bill, Mr. Chairman, is an important step in that direction.

H.R. 7974 creates a 5-year, $240 million program to encourage the development of health maintenance organizations—HMO's. These entities are operated by insurance companies, medical groups, hospitals, consumer groups, or others for the purpose of providing members with a full range of medical services, from prevention to necessary treatment. The HMO may operate its own hospital or contract for such services.

Health maintenance organizations have been advocated as a means of controlling medical care costs, encouraging preventive medicine, and improving the availability of medical care. HMO's have an incentive to keep its members healthy and thus to control its costs. In many cases, HMO's, which have existed for 40 years and now serve 7 million people, have provided better health care at lower cost than other health care systems in areas in which they operate. This bill will encourage growth of these organizations by providing assistance in the early stages of formation.

HMO's will not solve all of the Nation's health problems, but their development may provide better health care for many Americans in the areas they serve. However, for many other Americans who live in geographical areas which are unable to support HMO's, adequate health care delivery systems will remain a major problem.

In Iowa, for example, where there is only 1 doctor for every 841 patients—a 1-to-500 ratio is widely regarded as desirable—there are many people in rural areas who do not have access to adequate health care. Many of these are poor and elderly individuals who do not have the financial means or mode of transportation available to travel to the nearest health facility. This is a serious problem, especially in sparsely populated areas, and one to which I intend to devote continuing attention during my time in Congress.

The seriousness and urgency of the Nation's health care problems require a greater commitment to seeking solutions to the health care crisis than is now being given by the administration. These solutions are not to be found in slow implementation of existing programs or refusal to approve new medical programs.

One solution is to encourage new approaches to better health care delivery systems. The development of HMO's is a significant step in that direction and I urge support for this important legislation.

Mr. PRICE of Illinois. Mr. Chairman, it grows ever more obvious that serious reform and bold innovation must be the answers to the health care situation in this country. The Health Maintenance Organization Act will test the effectiveness of one such promising innovation.

Health maintenance organizations, or HMO's, have operated for 40 years and currently serve 7 million enrollees. On this relatively limited level HMO's have provided better health care at lower cost than other health care systems. By concentrating on preventive medicine they have decreased hospital costs, while at the same time improving the availability of medical care, especially to the working men and women who enroll in the programs.

The question before us now is whether federally assisted HMO's can bring these benefits to a larger number of Americans.

Mr. Chairman, the present crisis over the quality of health care is important enough and the probability of a successful HMO program is great enough that we cannot afford to lose this opportunity to undertake a significant restructuring of the American health care system.

It should be noted that in funding HMO's the Congress will maintain continuous oversight of each one through a variety of measures, including a GAO evaluation and annual reports by HEW. Thus the program, by coupling an already well-tested health care delivery system with stringent administrative safeguards, is assured of maximum success.

Mr. Chairman, I urge passage of the Health Maintenance Organization Act as another important step in bringing adequate health care to all Americans.

Mr. DONOHUE. Mr. Chairman, I intend to support this pending bill, H.R. 7974, the Health Maintenance Organization Act, and I most earnestly hope it is overwhelmingly adopted by the House this afternoon in the public interest.

This measure authorizes a 5-year program of Federal funding for the development of health maintenance organizations, in response to the very urgent national need to encourage the growth of these organizations by providing assistance in the early, most expensive stages of their formation.

From the expert testimony that has been presented and the application of the lessons of experience gained from the 40 years of HMO's existence, to the point where they now serve more than 7 million people, it is clearly apparent that these organizations can provide better health care at lower costs than other health care systems operating in the same or similar medical treatment areas.

It is also apparent from the authoritative views supporting this measure that the basic thrust of these organizations is preventive care and health maintenance rather than the treatment of illness after its occurrence. It is commonly agreed that the preventive illness and health maintenance attitude is the most modernly prudent and effective manner of attaining better national good health level and this approach also and unquestionably, results in decreasing hospital costs to the organization members.

In summary, Mr. Chairman, this bill is designed to and will meet an imperatively urgent national health need; its projected cost is unquestionably prudent; and fiscal and efficiency evaluations of the program by the General Accounting Office are provided for in the bill as well as annual reports to the Congress by the Health, Education, and Welfare Department.

Beyond being supported by the administration itself, it is also supported by such impressively authoritative units as Blue Cross and Blue Shield, the American Hospital Association, the Group Health Association of America, the American Association of Medical Colleges, the American Association of Medical Clinics, and many others.

In view of all these factors, I think this measure merits the sustaining support of this House and I urge its overwhelming adoption without extended delay.

Mr. VANIK. Mr. Chairman, I rise in support of the concept of Health Maintenance Organizations as expressed in the bill H.R. 7974 that is before the House today.

Costs of personal and family health care have risen rapidly in the last decade—almost 200 percent since 1960. Though many incomes have risen also, millions of Americans are effectively denied the good health and quality health care that most of us take for granted. Too large a percentage of our population has actually been priced-out of quality health service.

Despite a national average of 150 doctors for every 100,000 Americans, there are areas in our country with less than 4 percent of that figure. And both rural and urban areas in our country are affected; the inner core areas of many of our largest cities suffer from a deplorable shortage of doctors.

Health Maintenance Organizations—HMO—offer families or individuals the chance to take part in a single prepayment, general health care system that provides any amount of needed health services. It has been already demonstrated that HMO systems can actually cut down on overall medical costs because of their emphasis on preventative medicine and health maintenance, thus stopping major illnesses before they require drastic, and usually expensive, treatment and operation. Medicare, for example, has found that they spend less on bene-

ficiaries who are HMO enrollees than they do on non-HMO members.

The idea of health care organizations—HMO's—is not new. There are examples of successful HMO's that have existed for 40 years or more. The bill, H.R. 7974, simply seeks to stimulate national development and establishment of more HMO's.

In regard to the inclusion of mental health care in H.R. 7974, I agree with my colleagues who have argued that such provisions should be added to the basic health services of the bill rather than being considered as only a supplemental service. Mental and physical health are truly correlated: we cannot ignore the mental health of a patient if we hope to be successful in treatment of his physical health.

Although I do not expect HMO's to be the complete panacea for our national health care problems, I think it can be one of many valuable steps toward achievement of a national health system. Through the expansion of HMO's, we can take an important action both to improve the quality and the quantity of health care for Americans, while lowering the prices for those services.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Maintenance Organization Act of 1973".

PUBLIC HEALTH SERVICE ACT AMENDMENT

SEC. 2. The Public Health Service Act is amended by adding after title XI the following new title:

"TITLE XII—HEALTH MAINTENANCE ORGANIZATIONS

"DEFINITIONS

"SEC. 1201. For purposes of this title:

"(1) The term 'health maintenance organization' means a public or private entity organized to provide, directly or indirectly, basic and supplemental health services to its members in the following manner:

"(A) Each member is to be provided basic health services for a basic health services payment which (i) is to be paid on a periodic basis without regard to the dates health services (within the basic health services) are provided; (ii) is fixed without regard to the frequency, extent, or kind of health service (within the basic health services) actually furnished; (iii) is established under a community rating system, except that if the entity establishes to the Secretary's satisfaction that compliance with this clause would prevent it from competing effectively for the enrollment of new members or for the retention of current members, the Secretary may permit the entity to establish, for the first year of its operation, rates for its basic health services payment without regard to this clause; and (iv) may be supplemented by such additional nominal payments which may be required for the provision of specific services (within the basic health services) and which are to be fixed in accordance with the regulations of the Secretary.

"(B) For such payment or payments (hereinafter in this title referred to as 'supplemental health services payments') as the entity may require in addition to the basic health services payment, the entity shall provide to each of its members each health service (i) which is included in the definition of supplemental health services in paragraph (3), (ii) which can reasonably be made available to the members of the entity, and (iii) for the provision of which the member has contracted with the entity.

"(C) The services of health professionals which are provided as basic health services shall be provided through health professionals who are members of the staff of the entity or through a medical group (or groups) or individual practice association (or associations), except that this subparagraph shall not apply in the case of health professionals' services which are provided out of the area served by the entity or which the entity determines, in conformity with regulations of the Secretary, are infrequently used. For purposes of this subparagraph, the term 'health professionals' means physicians, dentists, nurses, podiatrists, optometrists, and such other individuals engaged in the delivery of health care as the Secretary may by regulation designate.

"(D) Basic health services (and supplemental health services in the case of the members who have contracted therefor) shall, within the area served by the entity, be available and accessible to each of its members promptly, as appropriate, and in a manner which assures continuity; and such services shall be provided to any member when he is outside such area, or he shall be reimbursed for his expenses in securing such services outside such area, if it is medically necessary that the services be rendered before he can return to such area.

"(2) The term 'basic health services' means—

"(A) physician services (including consultant and referral services by a physician);

"(B) in-patient and out-patient hospital services;

"(C) diagnostic laboratory and diagnostic and therapeutic radiologic services;

"(D) home health services; and

"(E) preventive health services (including preventive dental care for children and children's eye examinations conducted to determine the need for vision correction).

If a physician service included in subparagraph (A) may under applicable State law be also provided by a dentist, optometrist, or podiatrist, a health maintenance organization may provide such service through a dentist, optometrist, or podiatrist (as the case may be) licensed to provide such service. For purposes of this paragraph, the term 'hospital' has the same meaning as is prescribed for that term by section 645(c); and the term 'home health services' means health services provided at a member's home by health care personnel, as prescribed or directed by the responsible physician or other authority designated by the health maintenance organization.

"(3) The term 'supplemental health services' means—

"(A) services of facilities for long-term care (as such facilities are defined by section 645(h));

"(B) vision care not included under clause (A) or (E) of paragraph (2);

"(C) dental services not included under clause (A) or (E) of paragraph (2);

"(D) mental health services;

"(E) physical medicine and rehabilitative services (including physical therapy); and

"(F) prescription drugs.

"(4) The term 'member' when used in connection with a health maintenance organization means an individual who has entered into a contractual arrangement, or on whose behalf a contractual arrangement has been entered into, with the organization under which the organization assumes the responsibility for the provision to such individual of basic health services and of such supplemental health services as may be contracted for.

"(5) The term 'medical group' means a partnership, association, or other group of persons who are licensed to practice medicine, osteopathy, dentistry, podiatry, optometry, or other health profession in a State and who (A) as their principal professional activity and as a group responsibility engage in the coordinated practice of their profession; (B) share medical and other records and substantial portions of major equipment and of professional, technical, and administrative staff; (C) utilize such additional professional personnel, allied health professions personnel, and other health personnel (as specified in the regulations of the Secretary) as are available and appropriate for the effective and efficient delivery of the services of the members of the partnership, association, or other group; and (D) arrange for and encourage continuing education in the field of clinical medicine and related areas for the members of the partnership, association, or other group.

"(6) The term 'individual practice association' means a partnership, corporation, association, or other legal entity which has entered into an arrangement (or arrangements) with persons who are licensed to practice medicine, osteopathy, dentistry, podiatry, optometry, or other health profession in a State under which—

"(A) such persons will provide their professional services in accordance with a compensation arrangement established by the entity; and

"(B) to the extent feasible (i) such persons will utilize such additional professional personnel, allied health professions personnel, and other health personnel (as specified in regulations of the Secretary) as are available and appropriate for the effective and efficient delivery of the services of the persons who are parties to the arrangement, (ii) medical and other records, equipment, and professional, technical, and administrative staff are shared by such persons, and (iii) their continuing education is arranged for and encouraged.

"(7) The term 'section 314(a) State health planning agency' means the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) (hereinafter in this title referred to as a 'section 314(a) plan'); and the term 'section 314(b) areawide health planning agency' means a public or nonprofit private agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) (hereinafter in this title referred to as a 'section 314(b) plan').

"(8) The term 'medically underserved area' means an urban or rural area or population group designated by the Secretary as an area or population group with a shortage of personal health services. Such a designation may be made by the Secretary only after consideration of the comments (if any) of (A) each section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) such area, and (B) each section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) such area.

"(9) The term 'community rating system' means a system of establishing rates of basic health service payments. Under such a system rates for basic health service payments may be determined on a per-person or per-family basis and may vary with the number of persons in a family, but, except as otherwise authorized in the next sentence, such rates must be equivalent for all individuals and for all families of similar composition. The following differentials in rates of basic health service payments may be established under such system:

"(A) Nominal differentials in such rates may be established to reflect the different administrative costs of collecting basic health

service payments from the following categories of members:

"(i) Individuals (including families).

"(ii) Small groups of members (as determined under regulations of the Secretary).

"(iii) Large groups of members (as determined under regulations of the Secretary).

"(B) Differentials in such rates may be established for members enrolled in a health maintenance organization pursuant to a contract with a governmental authority under section 1079 or 1086 of title 10, United States Code, or under any other governmental program other than the health benefits program authorized by chapter 89 of title 5, United States Code, or any health benefits program for employees of States, political subdivisions of States, and other public entities.

"GRANTS AND CONTRACTS FOR FEASIBILITY SURVEYS

"SEC. 1202. (a) The Secretary may (1) make grants to and enter into contracts with public or nonprofit private entities for projects for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations, and (2) enter into contracts with private entities for projects for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations which will serve residents of medically underserved areas.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe, and shall contain—

"(1) assurances satisfactory to the Secretary that, in conducting surveys or other activities with assistance under a grant under this section, the applicant will (A) cooperate with the section 314(b) areawide health planning agency (if any) whose section 314(b) plan covers (in whole or in part) the area for which the survey or other activity will be conducted, and (B) consult with the medical society serving such area; and

"(2) such other information as the Secretary may by regulation prescribe.

Each contract entered into under subsection (a) (2) of this section shall require the cooperation and consultation described in paragraph (1) of this subsection.

"(c) In considering applications for grants and contract proposals under this section, the Secretary shall give priority to applications and contract proposals for projects for health maintenance organizations which will serve residents of medically underserved areas.

"(d) (1) Except as provided in paragraph (2), the following limitations apply with respect to grants and contracts made under this section:

"(A) If a project has been assisted with a grant or contract under subsection (a), the Secretary may not make any other grant or enter into any other contract for such project.

"(B) Any project for which a grant is made or contract entered into must be completed within twelve months from the date the grant is made or contract entered into.

"(2) The Secretary may make not more than one additional grant or enter into not more than one additional contract for a project for which a grant has previously been made or a contract previously entered into, and he may permit additional time (up to twelve months) for completion of the project if he determines that the additional grant or contract (as the case may be), or additional time, or both, is needed to adequately complete the project.

"(e) The amount to be paid by the United States under a grant made, or contract entered into, under subsection (a) shall be determined by the Secretary, except that (1) the amount to be paid by the United States under any single grant or contract for any project may not exceed $50,000, and (2) the aggregate of the amounts to be paid by the United States for any project under such subsection under grants or contracts, or both, may not exceed the greater of (A) 90 per centum of the cost of such project (as determined under regulations of the Secretary), or (B) in the case of a project for a health maintenance organization which will serve residents of a medically underserved area, such greater percentage (up to 100 per centum) of such cost as the Secretary may prescribe if he determines that the ceiling on the grants and contracts for such project should be determined by such greater percentage.

"(f) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(g) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(h) Payments under grants and contracts under this section shall be made from appropriations made under section 1205. The Secretary may not make any grant or enter into any contract under this section for a fiscal year beginning after June 30, 1976.

"GRANTS, CONTRACTS, LOANS, AND LOAN GUARANTEES FOR PLANNING AND FOR INITIAL DEVELOPMENT COSTS

"SEC. 1203. (a) The Secretary may—

"(1) make grants to and enter into contracts with public or nonprofit private entities, and make loans (from the loan fund established under section 1207(e)) to public entities, for planning projects for the establishment of health maintenance organizations or for significant expansion of the membership of, or area served by, health maintenance organizations;

"(2) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to private entities (other than nonprofit private entities) for planning projects for the establishment or expansion of health maintenance organizations for the purpose of serving residents of medically underserved areas; and

"(3) enters into contracts with private entities for planning projects for the establishment or expansion of health maintenance organizations for the purpose of serving residents of medically underserved areas.

The Secretary may not make any grant or enter into any contract under this subsection for a fiscal year beginning after June 30, 1976, and he may not make any loan or loan guarantee under this subsection in any fiscal year beginning after such date. Planning projects assisted under this subsection shall include development of plans for the marketing of the services of the health maintenance organization and such other plans as the Secretary may require for the purpose of making the determination required by subsection (c) (2) (B).

"(b) The Secretary may—

"(1) make grants to and enter into contracts with public or nonprofit entities, and make loans (from the loan fund established under section 1207(e)) to public entities, for projects for the initial development of health maintenance organizations;

"(2) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to any private entity (other than a nonprofit private entity) for a project for the initial development of a health maintenance organization which will serve residents of a medically underserved area; and

"(3) enter into contracts with private entities for projects for the initial development of health maintenance organizations which will serve residents of medically undeserved areas.

The Secretary may not make any grant or enter into any contract under this subsection for a fiscal year beginning after June 30, 1977, and he may not make any loan or loan guarantee under this subsection in any fiscal year beginning after such date. For purposes of this section, the term 'initial development' when used to describe a project for which assistance is authorized by this subsection includes significant expansion of the membership of, or the area served by, a health maintenance organization.

"(c) (1) No grant, loan, or loan guarantee may be made under subsection (a) or (b) of this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe, and shall contain such information as the Secretary may by regulation prescribe; except that an application for a grant, loan, or loan guarantee under subsection (a) for a planning project shall contain assurances satisfactory to the Secretary that in carrying out the planning project for which the grant, loan, or loan guarantee is sought, the applicant will (A) cooperate with the section 314(b) areawide health planning agency (if any) whose section 314(b) plan covers (in whole or in part) the area proposed to be served by the health maintenance organization for which the planning project will be conducted, and (B) consult with the medical society serving such area. Each contract entered into under subsection (a) of this section shall require the cooperation and consultation described in the preceding sentence of this paragraph.

"(2) If the Secretary makes a grant, loan, or loan guarantee or enters into a contract under subsection (a) for a planning project for a health maintenance organization, he may, within the period in which the planning project must be completed, make a grant, loan, or loan guarantee or enter into a contract under subsection (b) for the initial development of that health maintenance organization; but no grant, loan, or loan guarantee may be made or contract entered into under subsection (b) for initial development of a health maintenance organization unless the Secretary determines that (A) sufficient planning for its establishment or expansion (as the case may be) has been conducted by the applicant for the grant, loan, or loan guarantee, or by the person with whom such contract would be entered into, as the case may be, and (B) the feasibility of establishing and operating, or of expanding, the health maintenance organization has been established by the applicant or such person, as the case may be.

"(d) In considering applications for grants and contract proposals under subsections (a) and (b), the Secretary shall give priority to applications and contract proposals for projects for health maintenance organizations which will serve residents of medically underserved areas.

"(e) (1) Except as provided in paragraph (2), the following limitations apply with respect to grants, loans, loan guarantees, and contracts made under subsection (a) of this section:

"(A) If a planning project has been assisted with a grant, loan, loan guarantee, or contract under subsection (a), the Secretary may not make any other grant, loan, or loan guarantee or enter into any other contract for such project.

"(B) Any project for which a grant, loan, or loan guarantee is made or contract entered into must be completed within twelve months from the date the grant, loan, or loan guarantee is made or contract entered into.

"(2) The Secretary may not make more than one additional grant, loan, or loan guarantee or enter into not more than one additional contract for a planning project for which a grant, loan, or loan guarantee has previously been made or a contract previously entered into, and he may permit additional

time (up to twelve months) for completion of the project if he determines that the additional grant, loan, loan guarantee, or contract (as the case may be), or additional time, or both, is needed to adequately complete the project.

"(f)(1) The amount to be paid by the United States under a grant made, or contract entered into, under subsection (a) for a planning project, and (except as provided in paragraph (3) of this subsection) the amount of principal of a loan for a planning project made or guaranteed under such subsection, shall be determined by the Secretary, except that (A) the amount to be paid by the United States under any single grant or contract, and the amount of principal of any single loan made or guaranteed under such subsection, may not exceed $125,000, and (B) the aggregate of the amounts to be paid for any project by the United States under any grants or contracts, or both, under such subsection when added to the amount of principal of any loans made or guaranteed under such subsection for such project may not exceed the greater of (i) 90 per centum of the cost of such project (as determined under regulations of the Secretary), or (ii) in the case of a project for a health maintenance organization which will serve residents of a medically underserved area, such greater percentage (up to 100 per centum) of such cost as the Secretary may prescribe if he determines that the ceiling on the grants, loans, contracts, and loan guarantees (or any combination thereof) for such project should be determined by such greater percentage.

"(2) The amount to be paid by the United States under a grant made, or contract entered into, under subsection (b) for an initial development project, and (except as provided in paragraph (3) of this subsection) the amount of principal of a loan for an initial-development project made or guaranteed under such subsection, shall be determined by the Secretary; except that the amounts to be paid by the United States for any initial development project for a health maintenance organization under any grants or contracts, or both, under such subsection when added to the amount of principal of any loans made or guaranteed under such subsection for such project may not exceed the lesser of—

"(A) $1,000,000 or the product of $25 and the number of members that the health maintenance organization will have (as determined under regulations of the Secretary) when it first becomes operational after its establishment or expansion, whichever is the greater; or

"(B) an amount equal to the greater of (i) 90 per centum of the cost of such project (as determined under regulations of the Secretary), or (ii) in the case of a project for a health maintenance organization which will serve residents of a medically underserved area, such greater percentage (up to 100 per centum) of such cost as the Secretary may prescribe if he determines that the ceiling on the grants, loans, contracts, and loan guarantees (or any combination thereof) for such project should be determined by such greater percentage.

"(3) The cumulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under this section may not exceed such limitations as may be specified in appropriation Acts.

"(4) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(g) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statues (31 U.S.C. 529; 41 U.S.C. 5).

"(h) Payments under grants and contracts under this section shall be made from appropriations under section 1205; and loans under this section shall be made from the fund established under section 1207(e).

"LOANS AND LOAN GUARANTEES FOR INITIAL OPERATION COSTS

"SEC. 1204. (a) The Secretary may during the period beginning July 1, 1973, and ending June 30, 1978—

"(1) make loans (from the loan fund established under section 1207(e)) to public or nonprofit private health maintenance organizations to assist them in meeting the costs of the first thirty-six months of their operation;

"(2) make loans (from the loan fund established under section 1207(e)) to public or nonprofit private health maintenance organizations to assist them in meeting the costs of their operation which the Secretary determines are attributable to significant expansion in their membership or area served and which are incurred during the first thirty-six months of operation after such expansion; and

"(3) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to any private health maintenance organization (other than a private nonprofit health maintenance organization for the costs referred to in paragraph (1) or (2), but only if such health maintenance organization will serve residents of a medically underserved area.

"(b) No loan or loan guarantee may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c)(1) Except as provided in paragraph (2), the principal amount of any loan made or guaranteed under this section in any fiscal year for the operation of a health maintenance organization may not exceed $1,000,000 and the aggregate amount of principal of loans made or guaranteed, or both, under this section for the operation of any health maintenance organization may not exceed $2,500,000.

"(2) The cumulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under this section may not exceed such limitations as may be specified in appropriation Acts.

"(d) Loans under this section shall be made from the fund established under section 1207(e).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1205. (a) For the purpose of making payments under grants and contracts under sections 1202, 1203(a), and 1203(b), there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1974, $45,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for the fiscal year ending June 30, 1976; and for the purpose of making payments under grants and contracts under section 1203(b) for the fiscal year ending June 30, 1977, there are authorized to be appropriated $55,000,000.

"(b) There are authorized to be appropriated to the loan fund established under section 1207(e), $20,000,000 for the fiscal year ending June 30, 1974, and $30,000,000 for the fiscal year ending June 30, 1975.

"GENERAL PROVISIONS RESPECTING APPLICATIONS FOR ASSISTANCE

"SEC. 1206. (a) The Secretary may not approve an application for a grant, contract, loan, or loan guarantee under this title unless he determines that the applicant would not be able to complete the project or undertaking for which the application is made without such grant, contract, loan, or loan guarantee.

"(b)(1) The Secretary may not approve an application submitted under section 1203 or 1204 or enter into a contract under section 1203 unless he determines that when the health maintenance organization for which such application is submitted or contract proposed is first operational after its establishment or expansion it will—

"(A) have (i) a fiscally sound operation, and (ii) insurance which protects its members against the risk of its becoming insolvent and which is approved by the Secretary or such other provision against such risk as the Secretary determines is adequate;

"(B) be organized in such a manner (as prescribed by regulations of the Secretary) that assures its members a meaningful role in the making of policy for the health maintenance organization, and provide meaningful procedures for hearing and resolving grievances between the members and the health maintenance organization (including the medical group or groups and other health delivery entities providing health services);

"(C) encourage and actively provide for its members (i) health education services, and (ii) education in the appropriate use of health services;

"(D) have organizational arrangements, established in accordance with regulations of the Secretary, for an ongoing quality assurance program for its health services which program provides review by physicians and other health professionals of (i) the process followed in the delivery of health services, and (ii) the quality of the results obtained through the health services provided;

"(E)(i) provide in accordance with regulations of the Secretary an effective procedure for developing, compiling, evaluating, and reporting to the Secretary, data (which the Secretary shall publish and disseminate on a periodic basis) relating to (I) the cost of its operations, (II) the patterns of utilization of its services, (III) the availability, accessibility, and acceptability of its services, (IV) to the extent practical, developments in the health status of its members, and (V) such other matters as the Secretary may require, and (ii) disclose, at least annually, such data to its members and to the general public;

"(F) assume full financial risk on a prospective basis for the provision of basic health services; and

"(G) enroll persons who are broadly representative of the various age, social, and income groups in the area it serves.

"(2) The requirement of subparagraph (F) of paragraph (1) does not prohibit a health maintenance organization from obtaining insurance or making other arrangements (A) for the cost of providing to any member basic health services the aggregate value of which exceeds $5,000 in any year, (B) for the cost of providing basic health services to its members while they are outside the area served by the organization, or (C) for not more than 90 per centum of the amount by which its costs for any of its fiscal years exceed 110 per centum of its income for such fiscal year.

"(c)(1) The Secretary may not approve an application submitted under section 1203 or 1204 or enter into a contract under section 1203 unless the section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) the area to be served by the health maintenance organization for which such application is submitted or contract proposed, or if there is no such agency, the section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) such area, has, in accordance with regulations of the Secretary, been provided an opportunity to review the application or contract proposed and to submit to the Secretary for his consideration its recommendations respecting approval of the application or contract proposal. If under applicable State law such an application may not be submitted or such a contract entered into without the approval of the section 314(b) areawide health planning agency or the section 314(a) State

health planning agency, the Secretary may not approve such an application or enter into such a contract unless the required approval has been obtained.

"(2) The Secretary shall by regulation establish standards and procedures for section 314(b) areawide health planning agencies and section 314(a) State health planning agencies to follow in reviewing and commenting on applications for assistance and proposals for contracts for health maintenance organizations.

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"SEC. 1207. (a)(1) The Secretary may not approve an application for a loan guarantee under this title unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this title.

"(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this title the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this title may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this title shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantees of loans under this title shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved, and, to the extent permitted by subparagraph (C), any of such terms and conditions may be modified by the Secretary to the extent he determines it to be consistent with the financial interests of the United States.

"(b)(1) The Secretary may not approve an application for a loan under this title unless—

"(A) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this title shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) bear interest at a rate comparable to the current rate of interest prevailing on the date the loan is made, with respect to loans guaranteed under this title, and (E) be subject to such other terms and conditions (including provisions for recovery in case of default), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reason of the failure of a borrower to make payments of principal of and interest on a loan made under this section, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c)(1) The Secretary may from time to time, but with due regard to the financial interests of the United States, sell loans made by him under this title.

"(2) The Secretary may agree, prior to his sale of any such loan, to guarantee to the purchaser (and any successor in interest of the purchaser) compliance by the borrower with the terms and conditions of such loan. Any such agreement shall contain such terms and conditions as the Secretary considers necessary to protect the financial interests of the United States or otherwise appropriate. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this subsection.

"(3) Interest paid on any loan to a public agency guaranteed under this subsection shall be included in the gross income of the purchaser of the loan (or his successor in interest) for the purposes of chapter 1 of the Internal Revenue Code of 1954.

"(d) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, to enable him to discharge his responsibilities under loan guarantees issued by him under this title. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. To the extent authorized in appropriation Acts, there shall also be deposited in the fund amounts received by the Secretary under this section and in connection with loan guarantees under sections 1203 and 1204 and other property or assets derived by him from his operations respecting loan guarantees under sections 1203 and 1204, including any money derived from the sale of assets. If at any time the sums in the funds are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this title, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e) There is established in the Treasury a loan fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, to enable him to make loans under sections 1203 and 1204. To the extent authorized by appropriation Acts, there shall also be deposited in the fund amounts received by the Secretary as interest payments and repayment of principal on loans made under sections 1203 and 1204 and other property or assets derived by him from his operations respecting loans under those sections and under subsection (c) of this section, including any money derived from the sale of assets.

"CONTINUED REGULATION OF HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1208. (a) If the Secretary determines that an entity which received a grant, contract, loan, or loan guarantee under this title as a health maintenance organization or which was included in a health benefits plan offered to employees pursuant to section 1209—

"(1) fails to provide basic and supplemental services to its members,

"(2) fails to provide such services in the manner specified in section 1201(1), or

"(3) is not organized or operated in the manner described in section 1206(b),

the Secretary may, in addition to any other remedies available to him, bring a civil action in the United States district court for the district in which such entity is located to enforce its compliance with any assurances it furnished him respecting the provision of basic and supplemental health services or its organization or operation, as the case may be, which assurances were made under section 1209 or when application was made under this title for a grant, loan, or loan guarantee or in connection with a contract under this title.

"(b) The Secretary shall administer this section through an identifiable unit within the Department of Health, Education, and Welfare.

"EMPLOYEES' HEALTH BENEFITS PLAN

"SEC. 1209. Each employer—

"(1) who is required during any calendar quarter to pay his employees the minimum wage specified by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay his employees such wage but for section 13(a) of such Act), and

"(2) who during such calendar quarter employed an average number of employees not less than twenty-five,

shall, in accordance with regulations which the Secretary shall prescribe, include in any health benefits plan offered, in the calendar year beginning after such calendar quarter, to his employees the option of membership in at least one health maintenance organization which provides basic health services through health professionals who are members of the staff of the entity or a medical group (or groups), and at least one health maintenance organization which provides basic health services through an individual practice association (or associations) but only if such a health maintenance organization is serving the area in which such employer's employees reside and the health maintenance organization provides assurances satisfactory to the Secretary that it will provide basic and supplemental health services to its members in the manner specified in section 1201(1) and that it is organized and operated in the manner described in section 1206(b). No employer shall be required to pay more for health benefits as a result of the application of this section than would otherwise be required by any prevailing collective bargaining agreement or other legally enforce-

able contract for the provision of health benefits between an employer and his emtion 15 of such Act.

"LIMITATION ON SOURCE OF FUNDING FOR HEALTH MAINTENANCE ORGANIZATIONS

ployees. Failure of any such employer to comply with the requirements of this section shall be considered a willful violation of sec-

"SEC. 1210. No funds appropriated under any provision of this Act other than this title may be used—

"(1) for grants or contracts for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations or other entities which provide, directly or indirectly, health care to a defined population on a prepaid basis;

"(2) for grants, loans, or contracts, or for payments under loan guarantees, for planning projects for the establishment or expansion of such organizations or entities;

"(3) for grants, loans, or contracts, or for payments under loan guarantees, for projects for the initial development or expansion of such organizations or entities;

"(4) for loans or for payments under loan guarantees, to assist in meeting the costs of the initial operation after establishment or expansion of such organizations or entities.

"PROGRAM EVALUATION

"SEC. 1211. The Comptroller General shall evaluate the operations of at least fifty of the health maintenance organizations for which assistance was provided under section 1202, 1203, or 1204. The period of operation of such health maintenance organizations which shall be evaluated under this subsection shall not be less than thirty-six months. The Comptroller General shall report to the Congress the results of the evaluation not later than ninety days after at least fifty of such health maintenance organizations have been in operation for at least thirty-six months. Such report shall contain findings with respect to the ability of the organizations evaluated—

"(1) to operate on a fiscally sound basis without continued Federal financial assistance,

"(2) to meet the requirements of section 1206(b)(1) respecting their organization and operation,

"(3) to provide basic and supplemental health services in the manner prescribed by section 1201(1),

"(4) to include the indigent and high-risk individuals in their membership, and

"(5) to provide services in medically underserved areas.

The Comptroller General shall also conduct a study of the economic effects on employers resulting from their compliance with the requirements of section 1209. The Comptroller General shall report to the Congress the results of such study not later than thirty-six months after the date of the enactment of this title.

"ANNUAL REPORT

"SEC. 1212. The Secretary shall periodically review the programs of assistance authorized by this title and make an annual report to the Congress of a summary of the activities under each program. The Secretary shall include in such summary—

"(1) a summary of each grant, contract, loan, or loan guarantee made under this title in the period covered by the report,

"(2) the data reported in such period to the Secretary in accordance with section 1206(b)(1)(E), and

"(3) findings with respect to the ability of the health maintenance organizations assisted under this title—

"(A) to operate on a fiscally sound basis without continued Federal financial assistance,

"(B) to meet the requirements of section 1206(b)(1) respecting their organization and operation,

"(C) to provide basic and supplemental health services in the manner prescribed by section 1201(1),

"(D) to include the indigent and high-risk individuals in their membership, and

"(E) to provide services in medically underserved areas.".

CONFORMING AMENDMENTS

SEC. 3. (a) Section 1 of the Public Health Service Act is amended by striking out "Titles I to XI" and inserting in lieu thereof "Titles I to XII".

(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title XII (as in effect prior to the date of enactment of this Act) as title XIII, and by renumbering sections 1201 through 1214 (as in effect prior to such date), and references thereto, as sections 1301 through 1314, respectively.

(c) Section 306(g) of the Federal National Mortgage Association Act (12 U.S.C. 1721(g)) is amended by inserting ", or which are guaranteed under title XII of the Public Health Service Act" after "chapter 37 of title 38, United States Code".

(d) The first section of the Act of August 5, 1954 (42 U.S.C. 2001), is amended by inserting "(a)" after "That" and by adding at the end thereof the following new subsection:

"(b) In carrying out his functions, responsibilities, authorities, and duties under this Act, the Secretary is authorized, with the consent of the Indian people served, to contract with private or other non-Federal health agencies or organizations for the provision of health services to such people on a fee-for-service basis or on a prepayment or other similar basis.".

REPORTS RESPECTING MEDICALLY UNDERSERVED AREAS

SEC. 4. Within three months of the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall report to the Congress the criteria used by him in the designation of medically underserved areas for the purposes of title XII of the Public Health Service Act. Within one year of such date, the Secretary shall report to the Congress (1) the areas and population groups designated by him under section 1201(8) of such title as medically underserved areas, and (2) the comments (if any) submitted by State and areawide comprehensive health planning agencies under such section with respect to any such designation.

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. GROSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to get one or two things clear.

Is it true that this bill calls for approximately $240 million, running into the fiscal year 1977?

Mr. ROY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Kansas.

Mr. ROY. Yes, it is true.

Mr. GROSS. Who has the crystal ball that can foresee what the financial condition of this country will be in 1977, and to incur an obligation of $240 million running through 1976 and 1977, much less 1974 and 1975?

Mr. ROY. I know of no one who has such a crystal ball, but I would say to the gentleman that we are making investments in the first 2 or 3 years of operations under this bill which I believe will require further financing over that period of time. If we discontinued the financing precipitately prior to that time we might very well be throwing the taxpayers' money away. I am sure neither of us would like to see that happen.

Mr. GROSS. Fortunately or unfortunately, I was here when the National Institutes of Health were created. I thought that the further planning and feasibility of health programs, as well as research, would be carried out through the medium of the National Institutes of Health.

Apparently I was mistaken. Apparently more millions of dollars, as this bill provides, are to be spent for new administrative setups for new research, planning, feasibility, and all that sort of thing.

Where in the world is this going to end, or is there any end to these studies? I do know one thing—there is a bottom to the U.S. Treasury and the pockets of the taxpayers. And the $240 million called for in this bill is a lot of money to me.

Mr. ROY. Mr. Chairman, I am aware that this argument is not conclusive with all Members, but we have been very careful in this bill to authorize only the amount of money requested by the President for the coming fiscal year, in other words, $60 million. I believe we have been quite financially responsible throughout this process.

We are not establishing any type of organization which is a nonprivate organization, nor are we establishing any organization which I would foresee would require ongoing support.

I personally see this, and I believe the majority of the committee sees this as a one-shot bill. Now, I understand fully that senior Members may say that this has not been their experience, but I would like to put myself on record as saying that this is a one-shot bill and not a continuing bill.

Mr. Chairman, let me say, in addition to that, that I believe we will save more money than we spend, and I feel that in the face of the fact that we are spending $23 million more each day on health care services than we were the previous day, we need to find other organizational forms which will help contain the spiraling cost of health care, and I believe this is likely to be such a form.

Mr. GROSS. Mr. Chairman, with all due respect to the distinguished gentleman, I have heard the argument before about saving money by spending more money. It never seems to work out that way and I am not impressed. I can only hope the gentleman is right.

Mr. ROY. Mr. Chairman, that is my hope also.

Mr. GROSS. I will also say to the gentleman that while I respect the President of the United States, the fact that he has endorsed $60 million for any part or parcel of this program does not impress me. The President also endorses $18 billion of spending for the foreign handout program this year. I do not go along with him at all in that matter and I do not agree with the President that we cannot reasonably cut the defense budget. The President indicated

last week that we cannot cut either defense or so-called foreign aid.

Mr. Chairman, I do not agree, simply because the President says that $60 million is necessary for any part of the pending bill.

Mr. ROY. Mr. Chairman, will the gentlemen yield?

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

Mr. ROY. Mr. Chairman, I would like to state that in this respect I agree with the gentleman; I concur with his evaluation of both foreign aid spending and defense spending, and many of the other Members do also, of course.

Mr. GROSS. Mr. Chairman, I have priorities in the expenditure of public funds, and in the consideration of those priorities, I do not agree with what the President has suggested.

Mr. Chairman, I thank the gentleman for his response.

Mr. HEINZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, a few minutes ago the Health Subcommittee, on which I am privileged to serve, had another bill before this House. Unfortunately on that bill, S. 504, there were serious disagreements among members of the subcommittee. The House now has another subcommittee bill before it, and on this bill, the Health Maintenance Organization bill, there is no disagreement among the members of the Health Subcommittee.

What we have before us now is a Health Maintenance Organization bill that the gentleman from Florida (Mr. ROGERS) the chairman of the subcommittee, the majority members of the subcommittee and the minority members of the committee have labored on long and hard. The chairman has been extremely patient and wise, and wisely guided the subcommittee in its deliberations on this bill.

Mr. Chairman, it is a bill of which the gentleman from Florida is well-justified in being proud. It is a bill which Dr. ROY has been working on ever since he came to Congress and today he sees the fruits of his hard work finally coming to the House floor.

This bill deserves enactment. It is a good bill. It represents, I believe, some extremely creative and flexible thinking on the part of the committee.

Mr. Chairman, I certainly hope that the House will adopt the bill in the form in which it was reported to the floor. I believe we can, if the bill is enacted as it is, give the people of this country some very good and some very meaningful protection against illness and the prevention of illness.

Mr. Chairman, the need for this legislation is clear The time for health maintenance organizations has arrived. We must do something to control health care costs. The medical care industry accounts for more than 7 percent of our gross national product. Prices in this economic sector have been rising at an annual rate of 6.1 percent, with hospital costs jumping an average 13.3 percent each year from 1969 to 1971. The public indignation over these skyrocketing costs has already resulted in congressional amendment to the medicare and medicaid programs, and in special provisions in the President's economic programs to control health care costs.

The Health Subcommittee has been presented with data that show that while HMO premiums may be greater than those of competing insurance plans, the total costs per family will be less under the HMO plan because the benefits provided by the health maintenance approach are more comprehensive.

COMPARATIVE PERFORMANCE OF HMO'S ON COST (ANNUAL HEALTH COSTS PER FAMILY)

	HMO	Insurance plan 1	Plan 2
Premium costs	$122	$115	$110
Out-of-pocket costs	102	137	149
Total	224	252	259

These data indicate that nationally we can expect substantial savings on health care costs if we move into development of HMO's. Moreover, the frequency and duration of hospitalization, the single most expensive part of medical care, is substantially lower in HMO's than in other health plans.

COMPARATIVE PERFORMANCE OF HMO'S ON HOSPITAL USE

	HMO	Other
Number of hospital days per 1,000 persons per year	744	955
Number of hospital admissions per 1,000 persons per year	70	88
Hospital surgical cases per 1,000 persons per year	49	69
Tonsillectomies per 1,000 persons per year	47	94

At the same time that HMO's apparently are capable of controlling medical costs, we heard convincing evidence that HMO's do work effectively to maintain their members' health. For example, the members of a New York HMO, the health insurance plan of New York City, are less likely to give birth prematurely when pregnant, experience less infant mortality, and are likely to live longer than people who do not belong to an HMO.

COMPARATIVE PERFORMANCE OF HMO'S ON HEALTH

	HMO (HIP)	Traditional mode (NYC private patients)
Premature births per 1,000 live births:		
White	5.5	6.0
Nonwhite	8.8	10.8
Infant mortality per 1,000 births:		
White	22.7	27.3
Nonwhite	33.7	43.8
Annual mortality of elderly population (18 Mos or more after plan membership)	7.8	8.8

With these impressive data, Congress should move toward making HMO's a vital part of a pluralistic health care system. Our goal must be to make quality health care available to every American at a reasonable cost. Health maintenance organizations should be able to play an important role in moving America toward that goal.

This is a good bill. H.R. 7974 is a cautious, moderate approach to encouraging the development of prepaid health maintenance groups. This bill is the result of more than a year and a half of hard bargaining between the Health Subcommittee and HEW. The compromise bill authorizes grant programs for feasibility studies, planning, and initial development of HMO's. For initial operations, a revolving loan fund is established and initially authorized with $50 million. The final committee bill deletes earlier provisions overriding State laws, management training programs, advisory councils and other provisions.

Our subcommittee has worked long and hard to produce this legislation. I urge my colleagues to give it their full support.

Mr. RARICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address several questions to the chairman or one of the members of the subcommittee.

Certainly I have been greatly impressed by the statements that by adoption of this bill we are going to help poor unfortunate people of our country receive better health care services. The bill, however, goes further than this. On page 33 of the committee report I find this language:

> The proposed legislation offers unusual opportunities to improve the measurement and assurance of the quality of care. The medical profession has traditionally been involved with peer review, medical audit, and utilization review, although these functions have rarely received the attention they deserve. This lack of attention has followed from a variety of difficulties with these mechanisms, such as the difficulty of gathering and storing data, and technical and methodologic constraints. However, the major reason why the assurance of quality has not received proper attention is the lack of ongoing organizational arrangements to bring about continuous quality assurance.
>
> The HMO makes possible a major advance in quality assessment, or measurement, in that the enrolled population will be defined clearly. This allows the development of denominator data essential to the calculation of rate and ratio measures of quality. Quality assurance involves a process by which shortcomings measured in this quality assessment process are rectified by means such as continuing education, and administrative or manpower changes.

I would like to ask one of the members of the committee, does this phrase "the enrolled population will be defined clearly" mean that the patients who submit themselves for treatment are going to be computerized and their identity along with their diagnosis become the property of HEW?

Mr. ROGERS. Will the gentleman yield?

Mr. RARICK. I yield to the gentleman.

Mr. ROGERS. I am sure the gentleman understands the concept of the HMO. It is where you enter into a contractual relationship with a group of doctors and their assistants and their equipment where your health is to be maintained for a year for a certain set fee to began with. In other words, the emphasis now will be to get those doctors to keep you healthy and maintain your health rather than waiting until you get into a critical situation and have to go to the hospital for the most expensive care. So they will be following you carefully as your own private doctor

would in the relationship of doctor-patient. They will know, I hope, the diseases you have and what you do not.

Mr. RARICK. I understand that.

Mr. ROGERS. And they will give you good health care, we hope.

Mr. RARICK. The portion of the report that I am referring to is with regard to the phrase "enrolled population." My question is, will we have a national computerized patient list?

Mr. ROGERS. No.

Mr. RARICK. This is what it suggests.

Mr. ROGERS. It only suggests it.

Mr. RARICK. I hope we are not plowing new ground that will undercut the patient-doctor relationship. Few doctors could maintain their patients' confidence if the patient understood his name and condition were to qualify him as a medical statistic on a national computer.

Mr. ROGERS. The enrolled population simply means those people enrolled in the HMO.

Mr. RARICK. Will these patients' medical records not then become the property of the public domain so as to destroy the privacy of the classic patient-doctor relationship?

Mr. ROGERS. The patient-doctor relationship is not destroyed.

Mr. RARICK. Then, you do not feel that this bill establishes political control over the patient list itself?

Mr. ROGERS. No. I do not think the gentleman needs to worry about that.

Mr. RARICK. On the same page of this report we read: "the relationship of HMO quality assurance programs to geographically oriented review organizations such as the Professional Standards Review Organizations"—also known as PSRO—"and the possible role of members in the quality assurance program."

What kind of controls are going to be exercised over the doctors by PSRO?

Mr. ROGERS. Well, the normal peer review that will be called for and is already called for by law, as I am sure the gentleman knows.

Mr. RARICK. What do you mean? That is what I am asking.

Mr. ROGERS. Yes.

Mr. RARICK. Did the Congress itself prepare these laws?

Mr. ROGERS. If you voted for the social security law, it was in the social security law.

Mr. RARICK. Were regulations and guidelines for professional standards prescribed by the Congress or by HEW? Did not Congress delegate this power to HEW?

Mr. ROGERS. Of course, they are in compliance with the law. It will be done by HEW.

Mr. RARICK. Can a medical practitioner who is not in compliance with PSRO or the politicians downtown, on review, be denied the practice of medicine?

Mr. ROGERS. I do not think it goes to that all. It simply says on this they will try to encourage peer review, so it is an insurance that our fellow citizens can get the best care possible.

Mr. RARICK. But, I would ask the gentleman from Florida, a review by whom?

Mr. ROGERS. By their peers, doctors.

Mr. RARICK. By the doctors? Is that what is provided by law? It is our intent then that doctors will be reviewed by doctors. And this is what is intended by the law, a review by their peers. In other words, other doctors, experts in the medical profession?

Mr. ROGERS. However, it is set up by HEW.

Mr. RARICK. But we know HEW is not composed of medical doctors, and that is the difference. I do not want my people thinking that we are authorizing a bunch of politicians to be in their doctors' offices, snooping on the doctors, or that the doctors' performances are going to be reviewed by a group of politicians.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. RARICK. Mr. Chairman, I am sure the gentleman from Florida appreciates my concern. I certainly want to help the people, especially the poor people, but I am wondering whether we are taking the necessary precautions to keep the politicians out of the doctors' offices and out of their patients' examination rooms and medical records.

Mr. ROGERS. I feel definitely that we do.

Mr. RARICK. Then, referring to the bill itself, at page 89, subsection (D), which says:

> . . . have organizational arrangements, established in accordance with regulations of the Secretary, . . .

I wonder how the bill gives Congress the authority to regulate and to set the standards when we have delegated this power to the Secretary? Very clearly, this does not indicate to me that any review is going to be by a group of peers when the bill says in the very same paragraph, "review by physicians and other health professionals."

Mr. ROGERS. I think the gentleman will find that this does not go to the quality, and that if the gentleman will read it, the gentleman will find that goes to the situation of the HMO and their business arrangements.

Mr. RARICK. It would seem to me we are giving a blank check over control to the people downtown.

Mr. ROGERS. No, I do not think we are giving a blank check to the people down town by any means. There are definite requirements of the law here. We are also doing a double check which I think will please the gentleman in that we will have to evaluate this constantly, and we will even have the General Accounting Office evaluate this for us, and not rely on HEW.

Mr. RARICK. In other words, it is not the intention of the gentleman to surrender all of the prerogatives of the patient or the medical practitioners or for that matter this body?

Mr. ROGERS. No, it is not.

Mr. RARICK. We will not have a bunch of politicians running our hospitals, snooping on the patients, and their doctors?

Mr. ROGERS. No, and I hope we do not ever have that in this country.

Mr. RARICK. Does the gentleman from Florida feel that the review and the oversight that this commitee now has is adequate to maintain responsible control over these medical programs, not only to protect the patients and doctors but also the taxpayers?

Mr. ROGERS. I might say to the gentleman from Louisiana that everybody appears to be concerned about the abuse of powers in the Congress, but, as the gentleman I am sure well knows, some Members did not even vote to stand by the bill that the Congress had passed in the veto vote earlier today. So I do not see much point in talking about the powers of the Congress when we cannot even get some of the Members to stick up for what we decided upon earlier. So that that argument seems to be getting academic.

Mr. RARICK. Is the gentleman from Florida aware that in my State of Louisiana a Federal grand jury is now investigating one of these well intended health care organizations in an effort to determine what has happened to some $60 million in HEW and other Federal funds given to that organization. What makes it more ridiculous is that while the grand jury is so investigating, HEW is continuing to announce new grants of tax dollars to these same people.

Some of the incidents relating to this nonprofit medical care organization should be quite interesting to the Members here. One fact brought out is that this organization owns and operates five airplanes, two of which are jets. It has been maintaining a lobbying office right here in Washington, and all with taxpayers money. The greatest part of this medical service money is apparently not being used to help any poor people, but rather as seed money for lobbying to gain additional funds. I have on numerous occasions reported these blatant violations to HEW, urging them to supervise these people, and police their programs. I have even asked the General Accounting Office to investigate. This has always been promised, but an audit report is yet to be received. Meantime they continue to fly the jets, and continue to get more Federal funds.

The entire medical society of my State has publicly denounced this operation as an affront to the taxpayers and a discredit to the medical profession.

It is beyond my comprehension that this medical care outfit can escape the same safeguards that you assure us will protect us from similar possible abuses by HMO.

Mr. ROGERS. I would suggest that perhaps the gentleman call this to the attention of the grand jury that is looking into it.

Mr. RARICK. I am aware that the grand jury is investigating this matter yet I am also aware that these professional people have the ear of the people downtown and are continuing to get large grants not only from HEW, but even the Department of State to enlarge the organization to the multinational level.

Mr. ROGERS. That would be a good reason not to continue the grants. Perhaps the gentleman might even like to start a court action himself. I suppose

the gentleman could prevail. He is a judge, and he knows what he can do in court to stop those sorts of grants.

Mr. RARICK. If the U.S. Attorney, a Federal grand jury, and a U.S. Congressman as well as the State medical society cannot find out what these people have done with the money they already have received, what oversight protection does the average citizen have?

Is the gentleman from Florida reassuring us that this bill protects the American taxpayers, the patients, and the doctors?

Mr. ROGERS. Yes, and I think the gentleman ought to bring to the attention of HEW those problems he is talking about.

Mr. RARICK. HEW has done little to date. This is the reason I am telling the gentleman, so that he may know how these well-intentioned, political-promise programs can get out of hand.

Mr. ROGERS. I think the gentleman should call it to their attention.

Mr. RARICK. I thank the gentleman from Florida.

Mr. SATTERFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to begin first by complimenting the Subcommittee on Health and Environment for proceeding with this legislation in a very cautious way, and especially for the approach that has been employed to take a cautious step with the idea that we would stop and look before taking a second step, particularly when we proceed down a road, the ending of which we do not know. Nevertheless, I am concerned about two aspects of this measure now on the floor. Originally when we proceeded with this measure, we were considering including in the bill the various combinations of HMO membership to provide aid to the indigent, and to provide help to people in medically underserved urban and rural areas in a limited number of HMO's, and to experiment in a limited number whose membership would include people with high health risk situations. It seemed to me at that time that the idea of an evaluation of all of the possible membership mixes would serve a very valuable purpose because the hearings that we conducted made it abundantly clear that nobody in this nation knows whether or not an HMO subsidized by the Federal Government for any of these purposes, will be viable.

What has happened is that we are now faced with considering a bill which includes funds only for the purpose of surveying in an area to determine whether or not an HMO might be feasible, grants which will help those who want to organize an HMO to get them started, and loans to help their initial operation and that is all.

As much as I should like to feel that this is a one-shot proposition and that we will not go any further until this committee has a chance to review the evaluations which the bill requires I cannot. I recognize that the chief proponents of HMO's and of this legislation who appeared before our committee make it abundantly clear that the ultimate purpose of an HMO, as a health delivery system to provide that health delivery to those in meager financial circumstance, those living in medically underserved areas, and those with a high health risk. I fully expect that from time to time we will be confronted with legislation which would add these subsidy programs to the HMO's then in existence and that we may not then have an opportunity to evaluate them in the same fashion as is written in this bill. I am concerned about that.

I am further concerned that at this time when we are confronted with a succession of tremendous deficits, that with this measure we are taking the initial step down the road with a whole new health program which, if it becomes full blown, will cost as much as any that we have ever had before, the full amount of which cannot be intelligently prognosticated. I do not think this is the time for us to consider such a new program without knowing its future cost or its impact on future budgets.

For these reasons, Mr. Chairman, I am going to vote against this measure.

I yield back the remainder of my time.

The CHAIRMAN. The question is on the Committee amendment in the nature of a substitute.

The Committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having assumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7974) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes, pursuant to House Resolution 541, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill 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 bill.

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

Mr. HASTINGS. 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 369, nays 40, not voting 25, as follows:

[Roll No. 450]

YEAS—369

Abdnor	Eilberg	Lujan
Abzug	Erlenborn	McClory
Adams	Esch	McCloskey
Addabbo	Eshleman	McCollister
Alexander	Evans, Colo.	McCormack
Anderson, Calif.	Evins, Tenn.	McDade
Anderson, Ill.	Fascell	McFall
Andrews, N.C.	Findley	McKay
Andrews, N. Dak.	Fish	McKinney
Annunzio	Flood	Macdonald
Arends	Flowers	Madden
Armstrong	Foley	Madigan
Ashley	Ford, Gerald R.	Mahon
Aspin	Ford, William D.	Mailliard
Badillo	Forsythe	Mallary
Bafalis	Fountain	Mann
Baker	Fraser	Maraziti
Barrett	Frelinghuysen	Martin, Nebr.
Beard	Frenzel	Martin, N.C.
Bell	Frey	Mathias, Calif.
Bennett	Froehlich	Matsunaga
Bergland	Fulton	Mayne
Bevill	Fuqua	Mazzoli
Biaggi	Gaydos	Meeds
Biester	Gettys	Melcher
Bingham	Giaimo	Metcalfe
Blackburn	Gibbons	Mezvinsky
Blatnik	Gilman	Michel
Boggs	Goldwater	Milford
Boland	Gonzalez	Miller
Bolling	Goodling	Minish
Bowen	Grasso	Mink
Brademas	Gray	Minshall, Ohio
Brasco	Green, Oreg.	Mitchell, Md.
Bray	Green, Pa.	Mitchell, N.Y.
Breaux	Griffiths	Mizell
Breckinridge	Grover	Moakley
Brinkley	Gubser	Mollohan
Brooks	Gude	Moorhead, Calif.
Broomfield	Gunter	Moorhead, Pa.
Brotzman	Haley	Morgan
Brown, Calif.	Hamilton	Mosher
Brown, Mich.	Hammer-schmidt	Moss
Brown, Ohio	Hanley	Murphy, Ill.
Broyhill, N.C.	Hanna	Murphy, N.Y.
Broyhill, Va.	Hansen, Idaho	Myers
Buchanan	Hansen, Wash.	Natcher
Burgener	Harrington	Nedzi
Burke, Fla.	Harsha	Nelsen
Burke, Mass.	Harvey	Nichols
Burlison, Mo.	Hastings	Nix
Burton	Hawkins	Obey
Butler	Hays	O'Brien
Carey, N.Y.	Hébert	O'Hara
Carney, Ohio	Hechler, W. Va.	Owens
Carter	Heckler, Mass.	Parris
Cederberg	Heinz	Passman
Chamberlain	Helstoski	Patten
Chappell	Henderson	Perkins
Chisholm	Hicks	Peyser
Clancy	Hillis	Pickle
Clausen, Don H.	Hinshaw	Pike
Clay	Hogan	Podell
Cleveland	Holifield	Preyer
Cohen	Holtzman	Price, Ill.
Collins, Ill.	Horton	Price, Tex.
Conable	Hosmer	Pritchard
Conte	Howard	Quie
Conyers	Huber	Quillen
Corman	Hudnut	Railsback
Cotter	Hungate	Randall
Coughlin	Hunt	Rangel
Cronin	Hutchinson	Rees
Culver	Ichord	Regula
Daniels, Dominick V.	Jarman	Reuss
Danielson	Johnson, Calif.	Rhodes
Davis, Ga.	Johnson, Colo.	Riegle
Davis, Wis.	Johnson, Pa.	Rinaldo
de la Garza	Jones, Ala.	Robison, N.Y.
Delaney	Jones, N.C.	Rodino
Dellenback	Jones, Okla.	Roe
Dellums	Jones, Tenn.	Rogers
Denholm	Jordan	Roncalio, Wyo.
Dent	Karth	Roncalio, N.Y.
Derwinski	Kastenmeier	Rooney, Pa.
Devine	Kazen	Rose
Dickinson	Keating	Rosenthal
Diggs	Kemp	Rostenkowski
Dingell	Ketchum	Roush
Donohue	King	Roy
Dorn	Kluczynski	Roybal
Downing	Koch	Ruppe
Drinan	Kyros	Ryan
Dulski	Latta	Sarasin
Duncan	Leggett	Sarbanes
du Pont	Lehman	Saylor
Eckhardt	Lent	Scherle
Edwards, Calif.	Litton	Schneebeli
	Long, La.	Schroeder
	Long, Md.	Sebelius
		Seiberling

Shipley	Sullivan	Widnall
Shriver	Symington	Williams
Shuster	Taylor, N.C.	Wilson, Bob
Sikes	Teague, Calif.	Wilson, Charles H., Calif.
Sisk	Teague, Tex.	Wilson, Charles, Tex.
Skubitz	Thompson, N.J.	Winn
Slack	Thomson, Wis.	Wolff
Smith, Iowa	Thone	Wright
Smith, N.Y.	Thornton	Wyatt
Spence	Tiernan	Wydler
Staggers	Towell, Nev.	Wylie
Stanton, J. William	Udall	Wyman
Stanton, James V.	Van Deerlin	Yates
Stark	Vander Jagt	Yatron
Steed	Vanik	Young, Fla.
Steele	Veysey	Young, Ga.
Steelman	Vigorito	Young, Ill.
Steiger, Wis.	Waldie	Young, S.C.
Stephens	Walsh	Young, Tex.
Stokes	Wampler	Zablocki
Stubblefield	Ware	Zion
Stuckey	Whalen	Zwach
Studds	White	
	Whitehurst	
	Whitten	

NAYS—40

Archer	Edwards, Ala.	Robinson, Va.
Bauman	Fisher	Rousselot
Burleson, Tex.	Flynt	Ruth
Byron	Ginn	Satterfield
Camp	Gross	Snyder
Casey, Tex.	Holt	Steiger, Ariz.
Cochran	Landgrebe	Symms
Collins, Tex.	Lott	Talcott
Conlan	Montgomery	Taylor, Mo.
Crane	Pettis	Treen
Daniel, Dan	Poage	Waggonner
Daniel, Robert W., Jr.	Powell, Ohio	Wiggins
	Rarick	Young, Alaska
Dennis	Roberts	

NOT VOTING—25

Ashbrook	Landrum	Rooney, N.Y.
Burke, Calif.	McEwen	Runnels
Clark	McSpadden	St Germain
Clawson, Del	Mathis, Ga.	Sandman
Collier	Mills, Ark.	Shoup
Davis, S.C.	O'Neill	Stratton
Guyer	Patman	Ullman
Hanrahan	Pepper	
Kuykendall	Reid	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Pepper.
Mrs. Burke of California with Mr. Ullman.
Mr. McSpadden with Mr. Ashbrook.
Mr. Stratton with Mr. Kuykendall.
Mr. Mills of Arkansas with Mr. Reid.
Mr. St Germain with Mr. Sandman.
Mr. Davis of South Carolina with Mr. McEwen.
Mr. Mathis of Georgia with Mr. Del Clawson.
Mr. Runnels with Mr. Collier.
Mr. O'Neill with Mr. Shoup.
Mr. Clark with Mr. Guyer.
Mr. Landrum with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 541, the Committee on Interstate and Foreign Commerce is discharged from further consideration of the bill (S. 14) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. STAGGERS

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

The Clerk read as follows:

Mr. STAGGERS moves to strike out all after the enacting clause of the bill S. 14 and to insert in lieu thereof the provision of H.R. 7974, as passed.

The motion was agreed to.

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

The title was amended so as to read: "to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7974) was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1081 TO AMEND MINERAL LEASING ACT OF 1920

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 1081, to amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes, with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. HALEY, MELCHER, JOHNSON of California, UDALL, SAYLOR, STEIGER of Arizona, and YOUNG of Alaska.

NEW COINAGE DESIGN AND DATE EMBLEMATIC OF THE BICENTENNIAL OF THE AMERICAN REVOLUTION

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 539 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 539

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8789) to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarters, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 8779, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 1141, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 8789 as passed by the House.

The SPEAKER pro tempore. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 539 provides for an open rule with 1 hour of general debate on H.R. 8789, a bill to provide a new coinage design and date, emblematic of the Bicentennial of the American Revolution for dollar, half dollar, and quarter dollar coins.

House Resolution 539 provides that after the passage of H.R. 8789, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 1141, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 1141 and insert in lieu thereof the provisions contained in H.R. 8789 as passed by the House.

The bill provides that all dollar, half-dollar, and quarter dollar coins, minted for issuance beginning July 4, 1975, and continuing until such time as the Secretary of the Treasury may determine, shall bear designs on the reverse side emblematic of the Bicentennial. The design to be used on the coins will be chosen from a nationwide competition conducted by the National Sculpture Society. It is the intention of the Treasury Department to incorporate in the selected designs the usual inscriptions "United States of America" and "E Pluribus Unum," and a designation of the value of the coin.

No new costs are anticipated as a result of the enactment of H.R. 8789.

Mr. Speaker, I urge the adoption of House Resolution 539 in order that we may discuss and debate H.R. 8789.

Mr. LATTA. Mr. Speaker, House Resolution 539, the rule on H.R. 8789, the New Coinage Design and Date Emblematic of the Bicentennial of the American Revolution bill, is an open rule with 1 hour of general debate. This rule also makes it in order to insert the House-passed language in the Senate bill.

In order to commemorate the Nation's Bicentennial, H.R 8789 provides that all dollars, half-dollars, and quarters minted for issuance beginning July 4, 1975, until such time as the Secretary of the Treasury may determine, are to bear designs commemorative of the Bicentennial on the reverse side.

This bill represents a compromise between the coin collectors, who wanted Eicentennial designs on all coins, and representatives of the U.S. Mint, who indicated that a change on all coins would overburden the capacity of the mint. According to the committee report

this compromise bill, which affects only dollars, half-dollars, and quarters, sets requirements which are within the capacity of the mint.

The design to be used on the coins is to be chosen in a national competition conducted by the National Sculpture Society.

The committee report indicates that no additional cost will result from the passage of this bill because the face value of the coins issued is greater than the cost of the metals used.

Mr. Speaker, I urge the adoption of the rule.

AMENDMENT OFFERED BY MR. MATSUNAGA

Mr. MATSUNAGA. Mr. Speaker, I offer an amendment for the purpose of correcting a printing error in the resolution.

The clerk read as follows:

Amendment offered by Mr. MATSUNAGA: On page 2, line 6, strike out "H.R. 8779," and insert "H.R. 8789."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Hawaii.

The amendment was agreed to.

Mr. MATSUNAGA. Mr. Speaker, I have no requests for time, and 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.

Mrs. SULLIVAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8789) to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars, half-dollars, and quarters, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8789, with Mr. MATSUNAGA in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentlewoman from Missouri (Mrs. SULLIVAN) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill does not go as far as the coin collectors and many other citizens have been urging in utilizing our coinage to commemorate the Bicentennial of the American Revolution, but it represents our best judgment as to what is feasible. We were urged most persuasively by the numismatic hobby to require changes in all of our coins for 1976—a complete change of design on both sides of every coin. This is what Canada did in observance of its Centennial several years ago. And we would have loved to do the same thing for our Bicentennial.

As a matter of fact, the Advisory Panel on Coins and Medals of the American Revolution Bicentennial Commission recommended to the Commission—and the Commission in turn recommended to the President—that all denominations of coins be changed in 1976 and for the subsequent 25 years to commemorate the Bicentennial. However, the administration was adamantly against any special commemorative coinage for the Bicentennial. Mr. PATMAN, Mr. WIDNALL and I subsequently met with the Director of the Mint, the Honorable Mary Brooks, to urge reconsideration of this position and Mrs. Brooks took up the issue further with Secretary Shultz. Eventually the administration relented and sent up a bill early this year proposing Bicentennial designs on the reverse of the dollar and half-dollar coins only. Mr. PATMAN, Mr. WIDNALL, Mr. WYLIE and I then introduced this administration bill on March 6 as H.R. 5244.

In the hearings of the Subcommittee on Consumer Affairs in May, we went into this issue in depth and learned of the tremendous technical difficulties the Bureau of the Mint would experience in trying to meet the surging demand for more and more coins for daily commerce if the designs of all of the coins were changed. Working around the clock, three shifts a day, they could not meet the projected demand. It is not that the Mint could not produce enough for commerce. But it could not do so and also produce the billions of additional coins which would be diverted from circulation as Bicentennial commemorative collector pieces.

COMPROMISE NEGOTIATED TO INCLUDE QUARTER

The reason the administration suggested changes only in the dollar and half-dollar coins for the Bicentennial is that these coins do not normally circulate in any large volume. If they all disappeared from circulation as collector pieces and keepsakes in 1976 and subsequent years we would still be able to have enough coinage for necessary purposes—you can use two quarters instead of a half. And the dollar coin is not in very big demand. The coin collectors pointed out that restricting the bicentennial designs to those two coins would not make the bicentennial a daily reminder to the public, and pleaded to have at least the quarter included.

We negotiated a compromise with the administration on this issue by persuading the Treasury to agree to include the quarter as well as the dollar and half-dollar, and the price of that agreement was that we include in the bill a provision which permits the Mint as a temporary measure to use its bullion depository at West Point, and any of its other noncoinage facilities, for both the production and storage of coins. The Mint would then move some of its old coin presses to West Point or other facilities and thus increase its total capacity. And it would be able to begin turning out coins long before the distribution date because it would then have places to stockpile them.

However, it does not have this kind of storage capacity at the existing mints, according to Mrs. Brooks. H.R. 8789 is a clean bill carrying out the decisions made in the subcommittee which were acceptable to the administration.

The quarter is one of our most widely used coins. Of course the penny is the one produced in greatest volume—about 10 times as many pennies are produced as nickels and quarters—and the dime is second, but followed very closely by the nickel and quarter. So we are going to need an awful lot of quarters for circulation in 1975 and thereafter, plus the many, many millions of them which will be taken out of circulation and saved as collector pieces.

The provisions of H.R. 8789 were unanimously approved in the subcommittee and the bill was unanimously approved by the full committee.

NO PROVISIONS DEALING WITH GOLD OR SILVER

I might say there is nothing in this bill dealing with gold. In passing a Bicentennial coinage bill, the Senate included a provision ending by January 1, 1975, all restrictions on Americans owning gold. Such a provision would not be germane to H.R. 8789 and was not offered in our committee. Besides, this issue of gold ownership was resolved last week when the House approved the conference report on the par value modification bill. The Senate Bicentennial coinage bill also contains a provision requiring the issuance of a gold coin for the Bicentennial, and one requiring the production of at least 60 million Bicentennial coins between July 4, 1975, and January 1, 1977, containing 40-percent silver. Both proposals were rejected in our committee, the gold coin amendment on a rollcall of 9 to 15 and the silver coin amendment on a voice vote. With the very high cost of gold today, any gold coin would have to be very, very small and would have to be sold at a tremendously high price; and if we used a 40-percent silver alloy in the Bicentennial coins, the value of the silver in the coins could substantially exceed their face value. I would be willing to try to work out in conference some accommodation on the use of silver in, say, a limited number of proof coins to be sold at a premium, as was done in the case of the Eisenhower dollars, but I strongly oppose the Senate provision requiring the production of at least 60 million silver Bicentennial coins at a time when silver is in short supply and priced at more than double the traditional monetary value of silver, which is $1.29 per ounce.

We are anxious to have the bill expedited so that the Mint can proceed with its plans for a national design competition, and have the new coins ready for initial distribution by July 4, 1975, when the Bicentennial year begins.

BACKGROUND OF THE LEGISLATION

The American Revolution Bicentennial Commission, created by Public Law 89-491 to "plan, encourage, develop and coordinate observances and activities commemorating the historical events that preceded and are associated with the American Revolution," named a group of outstanding numismatists in 1970 as an Advisory Panel on Coins and Medals to recommend suitable programs for the issuance of commemorative numismatic materials as part of the Bicentennial observance. The Panel included curators of numismatics from the Smithsonian Institution, editors of numismatic publications, authors in this field, leaders of

numismatic associations, Members of Congress, and representatives of the Treasury and of the National Endowment for the Arts, to provide research, professional opinions, and recommendations on the role of coins and medals in perpetuating the Bicentennial.

Proposals made by the Advisory Panel in 1971 for an extensive program of Bicentennial commemorative medals were adopted by the Commission, forwarded to the Congress by the President and authorized by Public Law 92-28 on the recommendation of the Committee on Banking and Currency, following hearings by the Subcommittee on Consumer Affairs. Under that act, a series of annual Bicentennial medals and Philatelic-Numismatic Commemoratives (PNC's) consisting of a medal and related commemorative stamps issued as a set, was begun in 1972. In the first year of the medals program, 791,000 of the PNC's and 672,000 of the individual medals were sold to collectors at $5 and $3 each, respectively. The net proceeds from this program have so far made possible distributions by the Commission of $200,000 each to the National Endowment for the Arts, the National Endowment for the Humanities, and the National Science Foundation to initiate on a pilot basis a bicentennial project grants program, and created a fund of $2,100,000 for matching grants so far up to $40,000 to each of the 50 State bicentennial commissions and that of the District of Columbia, and up to $25,000 each to Puerto Rico, American Samoa, Guam, and the Virgin Islands for specific bicentennial projects of a State or local nature. Sales of the medals and stamp-medal combinations in 1973 and subsequent years will increase these grant funds.

A comprehensive bicentennial coinage program was also recommended by the Advisory Panel in 1971 and adopted by the Commission, but it was initially rejected by the administration on grounds that changes in coinage designs for 1976 were neither desirable nor feasible. Chief among the Panel's coinage proposals were that all denominations of circulating coins bear Bicentennial designs in 1976 and for the subsequent 25 years, and that a special commemorative coin "unique in design and composition" be issued in 1976.

At the urging of the numismatic hobby, of individual Members of Congress, and of the Director of the Bureau of the Mint, the Honorable Mary Brooks, the administration later modified its position opposing changes in coinage designs for 1976. It sent to Congress this year a draft of legislation providing for special Bicentennial designs on the reverse side of dollar and half-dollar coins minted for issuance on and after July 4, 1975, and for an indefinite period thereafter, and for special commemorative dating of such coins. The administration proposals were introduced as H.R. 5244 by Representatives Wright Patman and Leonor K. Sullivan, chairmen of the Committee on Banking and Currency and of the Subcommittee on Consumer Affairs, respectively, and by Representatives William B. Widnall and Chalmers P. Wylie, ranking minority members of the full committee and the subcommittee, respectively.

SUBCOMMITTEE HEARINGS

Subcommittee hearings on H.R. 5244 were held on May 2, 1973. Treasury Department witnesses testified on the practical production problems involved in providing sufficient coinage for the needs of commerce if any of the coins in wide daily use were to bear new designs making them attractive as collector pieces or souvenirs. Mrs. Brooks stated (p. 8 of the hearings):

As a member of the Advisory Panel on Coins and Medals of the American Revolution Bicentennial Commission, I have participated in numerous discussions on how the mint could best and most effectively participate in the numismatic observance of our Declaration of Independence.

It has been proposed that we change the designs of all our coins to commemorate the Bicentennial. We would oppose such a change for several reasons.

Foremost to be considered is the mint's production capacity and its primary responsibility to meet the Nation's coinage requirements. I realize many of the coin collectors would like for us to change all of our coins to commemorate the Bicentennial year. We have given this very careful consideration. The danger is that this could result in a coin shortage which would cripple our daily commerce. Therefore, changing the reverse of only the circulating dollar and half-dollar is strongly recommended:

(a) By the year 1976, demand for domestic coin for circulation, excluding any unusual demand for the new dollars and half-dollars, could range from 11 to 12 billion pieces, according to the Federal Reserve forecast. Our present resources enable us to produce a maximum of 13 billion coins on a full three-shift basis. The mint's anticipated production capacity for 1976 provides limited latitude for the new Bicentennial coins to be removed from circulation as we know a major portion will be.

(b) A change of the half-dollar and dollar would both be of interest to numismatists and not be disruptive to the mint's operation. The general demand for these two coins has been significantly lower than the other denominations.

(c) For many years the Treasury Department has opposed the minting of special event noncirculating commemorative coins and none have been authorized since 1951 and none minted since 1954.

(d) To prevent the abuses of the past that precipitated this Treasury Department policy which I will go into more fully later on.

(e) It will make a most important and lasting contribution to the Bicentennial celebration.

I might add that the proposed changes would mark the first time in our Nation's history that designs on circulating coins would be changed honoring an anniversary of American independence.

Also, in 1976, proof and uncirculated specimens of these two circulating coins would be available under the mint's four special coin programs.

Additionally, because of the historical importance of the new designs, the mint is formulating plans with the National Sculpture Society to conduct a nationwide design competition for both coin reverses to acquire the best possible designs and to more fully involve our artistic community in the coinage celebration of our Bicentennial.

The following exchange took place between the chairman of the subcommittee and the Director of the Mint (p. 22):

Mrs. SULLIVAN. What are the practical difficulties of changing all the coins for 1976? You have mentioned a few aspects, but I do not think the numismatists' representatives would go along with them. I am sure they will tell us later this morning that with your ability and resourcefulness you could really put out a complete set of Bicentennial coins and meet all the needs of commerce as well as the desires of the coin collectors. If you had to do it, could you do it?

Mrs. BROOKS. Well, we would have a terrible time keeping up with production. We are planning to put new presses in the Denver Mint, as you probably know, but they will not be functional for several years. * * * our very top production would be around 15 billion coins.

The coin demand is a mysterious thing. I do not know where they all go. This country must be loaded with coins. They are at home in dresser drawers or somewhere. Because every year we make 500 to 600 million more coins. I have the figures here, and I can insert them into the record. This year we made 8,300 million coins. This year the Federal Reserve forecast for the year of 1976 gives between 11 and 12 billion coins.

[The projected estimate of coin demand referred to by Mrs. Brooks follows:]

PROJECTED ESTIMATE OF COIN DEMAND,[1] FISCAL YEARS 1974-80

[In billions of coins]

	Cents	Nickels	Dimes	Quarters	Halves	Dollars	Total
Fiscal year:							
1974	6.9	0.6	0.8	0.5	[2] 0.175	[2] 0.075	9.1
1975	7.6	.6	.9	.6	[2] .190	[2] .080	9.9
1976	8.3	.7	1.0	.6	.207	.087	10.9
1977	9.0	.8	1.1	.7	.226	.095	11.9
1978	9.8	.8	1.2	.8	.246	.104	13.0
1979	10.7	.9	1.3	.8	.269	.113	14.1
1980	11.7	1.0	1.4	.9	.293	.123	15.4

[1] Coin production based on maintaining adequate inventories to meet these demands.
[2] Does not reflect coins required in proposed Bicentennial legislation.

Source: Office of Public Services, Bureau of the Mint, Apr. 26, 1973.

Mrs. BROOKS. Now, we are very realistic about the coins that we would put out. They would no doubt most of them be collected. That would mean that we would face probably a crisis. I do not think we could possibly, even if we added more presses in every available facility, do anything over 15 billion coins. We are not sure we could do that by 1976. So it is an impractical manufacturing problem for us, as much as I would really love to do it.

I might say it was my visit with Secretary Shultz that reversed the longstanding opposition of the Treasury Department to ever changing any of our coinage. I explained to him that I thought we could handle the two coins that are not circulating as much as the minor coins, and that we could probably get by producing them if we could get a good lead on them.

Mrs. SULLIVAN. If we changed the designs too much they might all disappear?

Mrs. BROOKS. They might disappear, and we would be in a terrible bind.

The other point about changing the dates on all the coins, my technical people tell me that on several of the coins there is not room to change the date, we would have to change the designs.

Mr. Hugh A. Hall, Acting Director of the American Revolution Bicentennial Commission, described the much more comprehensive changes in Bicentennial coinage pro-

posed by the Commission's Advisory Panel and endorsed by the Commission, but added (p. 28):

From our discussions, subsequently, with representatives of the Bureau of the Mint concerning the feasibility for commemorative coinage, we have been impressed by their concern for the severe strain which a wholesale change in the design of U.S. coinage would place on the production capacity of the U.S. Mint. We are satisfied that many of our original goals of public exposure and artistic quality can be realized in a combined program as envisaged under H.R. 5244.

However, witnesses from the numismatic hobby, including Margo Russell, editor of Coin World and cochairman of the Commission's Advisory Panel on Coins and Metals, and Chester L. Krause, publisher of Numismatic News and other publications in the coin collecting field, expressed keen disappointment over the fact that only the dollar and half-dollar were to be changed for the Bicentennial, pointing out that neither coin circulated widely and therefore would not serve as a ubiquitous reminder in daily commerce of the Nation's 200th birthday. Both endorsed the Advisory Panel's full recommendations, as did John Jay Pittman, president of the American Numismatic Association. Mr. Pittman added, however (p. 68):

We appreciate the proposal of the Government as outlined in H.R. 5244 to place on the 50-cent and $1 coins "1776–1976" in lieu of the date of coinage and to change the reverse design of these two coins—the two U.S. coins having least circulation. However, we do not feel that this proposed change goes far enough. If the Government feels that the obverse design of the circulating coins cannot or will not be changed, we feel that all the reverse designs of the circulating coins should be changed to commemorate the Bicentennial of the American Revolution and all the U.S. circulating coins should bear "1776–1976" in lieu of the date of coinage.

The greatest single personality of our American Revolution was George Washington, the Father of our Country, who served as commander in chief of the Army. The bicentennial of Washington's birth was commemorated in 1932 when his portrait was placed on the obverse of the 25-cent piece, which is one of our most widely circulating coins. Since Washington is on the obverse of this coin, it could be made a true commemorative of the Bicentennial of the American Revolution by placing a bicentennial design on its reverse. We feel that a bicentennial design change should occur at least on the reverse of the 25-cent piece, if on no other coin. Therefore, we ask that H.R. 5244 be amended to include a change in design on the reverse of the Washington quarter.

Mr. Pittman added:

* * * I do think since the Washington quarter is a true commemorative of the birth of Washington, that at least we should have the Washington quarter included among bicentennial coins. (p 69)

SUBCOMMITTEE CONSIDERATION

Following the hearings, and impressed by Mr. Pittman's plea for inclusion of the quarter, the subcommittee urged the Treasury to restudy the feasibility of adding the quarter to the Bicentennial coin list. Mrs. Brooks subsequently reported that it would be possible to coin sufficient Bicentennial quarters for both commercial and collector purposes only if Congress provided authority to the mint to produce and store coins and medals at facilities of the Bureau of the Mint not engaged in coinage operations, such as the West Point, N.Y., Bullion Depository, where machines scheduled to be replaced at the Philadelphia Mint could be installed for coinage purposes.

As a result, the subcommittee on June 14 amended H.R. 5244 to include the quarter as well as the dollar and half-dollar among Bicentennial coins, and added a new section 3 permitting the use of facilities of the Bureau of the Mint other than the Philadelphia and Denver Mints and the San Francisco Assay Office for the temporary production and storage of coins and medals. The subcommittee unanimously approved H.R. 5244 as amended and authorized the introduction of a clean bill, H.R. 8789, carrying out the subcommittee's recommendations.

COMMITTEE ACTION

H.R. 8789 was considered in the full committee July 19 and approved by unanimous voice vote following defeat of proposed amendments to (1) require the issuance of up to 60 million gold commemorative Bicentennial coins and (2) require use of silver in at least 60 million Bicentennial coins. Both the gold and silver coins, of unspecified denominations, would have had to be made for issuance between July 4, 1975, and January 1, 1977, under these proposed amendments.

DESIGNS OF THE COINS

The legislation provides for designs on the reverse side of the dollar, half-dollar, and quarter emblematic of the Bicentennial of the American Revolution rather than the general requirement of section 3517 of the Revised Statutes (31 U.S.C. 324) for the figure or representation of an eagle. However, it is the intention of the Treasury to incorporate in the selected designs the usual inscriptions required on the reverse by section 3517, "United States of America," and "E Pluribus Unum," and a designation of the value of the coin.

The committee was assured that the nationwide competition to be conducted by the National Sculpture Society to develop suitable designs for the Bicentennial coins will be an open one rather than one restricted only to the members of that society. All citizens will be eligible to compete.

COST OF THE LEGISLATION

Pursuant to the requirements of clause 7 of rule XIII of the Rules of the House of Representatives, your committee concludes that H.R. 8789 will entail no net additional cost to the Treasury but will, in fact, result in a substantial increase in seigniorage profits from the additional coins expected to be produced as collector pieces and Bicentennial souvenirs under the legislation. The more coins produced and distributed for circulation through the Federal Reserve System, the higher the profits to the Government. Seigniorage profits (the difference between the cost of the metals used and the face value of the coins) aggegated in fiscal 1972, $575,007,036.83 on production of 8,246,733,000 coins. For the three denominations covered by this legislation, the dollar, half-dollar, and quarter, seigniorage profits for fiscal 1972 were $489,523,000 for the cupronickel coins. On a cupro-nickel 25-cent coin, the seigniorage is 23 cents; for the 50-cent coin, 47 cents; and for the one dollar coin, 95 cents.

While the added coin production required to meet the anticipated heavy demand for the special Bicentennial coins will, of course, call for increased appropriations for coinage operations, the added receipts from the sale of the additional coins will far outdistance the costs of production. Similarly, the prices charged by the Bureau of the Mint for special mint sets and proof sets sold directly to collectors by the Mint more than cover all costs associated with its numismatic offerings. The Bureau of the Mint not only coins money but makes money in its coinage operations. Net profits go to the general fund of the Treasury.

New dies are made for the obverse of all coins each year to accommodate changes in dates, and dies for both the obverse and reverse of all coins are constantly replaced during the year because of wear. Hence, the requirements of H.R. 8789 for commemorative dates on the obverse and special designs on the reverse of the dollar, half-dollar, and quarter will not present an unusual cost burden for the preparation of dies.

DEPARTMENTAL POSITION

H.R. 8789 has the full endorsement of the Treasury Department, in view of the committee's action in adding section 3 providing temporary authority to use the West Point or other noncoinage facilities of the Bureau of the Mint for both production and storage of coins and medals.

The following letter was received by the committee from the Under Secretary of the Treasury for Monetary Affairs, the Honorable Paul A. Volcker, relating to the proposal subsequently rejected in the committee to require the issuance of a gold coin for the Bicentennial:

THE UNDER SECRETARY
OF THE TREASURY,
FOR MONETARY AFFAIRS,
Washington, D.C., July 13, 1973.

Hon. WRIGHT PATMAN,
Chairman, Banking and Currency Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your committee is scheduled to consider in the near future H.R. 5244, a bill proposed by the administration to provide a new design and date on dollars and half-dollars emblematic of the Bicentennial of the American Revolution. This bill would significantly contribute to the celebration of the birth of our Republic—certainly the greatest moment in the history of our country.

It would be unfortunate if the laudable purpose of this bill would be obscured by unrelated issues involving gold policy. As you know, the Senate recently passed S. 1141, the companion bill to H.R. 5244, with various amendments concerning gold. One of the amendments directs the Secretary of the Treasury to issue special gold coins during the Bicentennial period; the second terminates the regulation of private gold ownership as of January 1, 1975; and the third amendment would restrict the authority of the Secretary of the Treasury to sell gold in the private market by requiring that the price be not lower than the average private market price for gold in the month preceding the date of sale.

As a general observation, we doubt the wisdom of enacting any legislation at this time which pertains to the private ownership of gold—whether in the form of bullion or coin. Under prevailing conditions, it would, in all probability, have a damaging effect on the already uncertain monetary situation. Congressional action requiring the minting of gold coins would be particularly unfortunate. It would give rise to unwarranted speculation and uncertainty on the part of the international financial community as to the intentions of our Government with respect to the role of gold in the future monetary system. The issuance of gold coins by the U.S. Government would be viewed abroad as an attempt to reemphasize the monetary importance of gold. This would be especially regrettable in light of our Government's firm position that the role of gold should be diminished in the international monetary system.

Furthermore, the issuance of gold coins, in our view, would be a misuse of the Nation's gold reserves. The annual industrial demand for gold in the United States now totals in excess of 7 million ounces and is steadily rising. About 80 percent of this total must be supplied by imports of gold from abroad. At present prices, this has an adverse effect on our trade balance of over $600 million a year. Under these conditions, if gold were to be taken from our monetary stocks, it would make much better sense to make gold available to American industry from our stock at the market price than to divert the gold for the minting of coins.

Finally, because of the considerable disparity between the monetary and the private market price of gold, it would be im-

possible to produce a coin of a quality which would appropriately commemorate the American Revolution and, at the same time, could be sold at prices within the means of the average American. If the gold content of the coins were valued at the monetary price, there would be a very strong incentive for the holders to melt the coins down into bullion. To avoid this, the coins would have to be priced high enough to reflect the market value of the gold. In this case, however, the coins would be within the means of only a small and affluent segment of the public. On the other hand, a coin that could be minted and sold at prices which would make them accessible to the average American would either contain a negligible amount of gold or would be very small in size. In either event, we do not believe that it would be an impressive commemoration of such a historical occasion as the Bicentennial.

Turning to the second amendment, we consider a serious mistake any legislation which would establish a definite date for the removal of regulations on private gold ownership. It is essential to effective progress on monetary reform that the timing of the move should be left for determination by the President when he finds that the elimination of regulations would not be detrimental to the overall monetary interests of the United States. This is the position adopted in the par value modification bill passed by the House and now pending in conference.

The final amendment restricting the present flexibility of the Secretary of the Treasury to sell gold on the private market could also have seriously adverse consequences. We have been strongly urged by Members of Congress and the public to undertake limited sales of gold from our gold stock at the prevailing market price. A provision which would establish a floor price for such sales would make it more difficult to reach a reasonable understanding on this issue with other monetary authorities. Moreover, it would effectively prevent any sale of Treasury gold at certain times—for example, when the market price of gold is declining. This provision would thus sharply curtail the present authority of the Secretary of the Treasury to effectively use our gold reserves in the national interest.

In summary, I believe that legislation authorizing the issue of coinage to commemorate the Bicentennial of the Republic should not be encumbered with amendments which would adversely affect the international monetary objectives of the United States.

Sincerely yours,

PAUL A. VOLCKER.

LETTER FROM FEDERAL RESERVE CHAIRMAN

The following letter was received from the Chairman of the Board of Governors of the Federal Reserve System, the Honorable Arthur Burns, on the subject of gold as it relates to this bill:

CHAIRMAN OF THE
BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, D.C. July 17, 1973.

HON. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in regard to legislation authorizing issuance of coins to commemorate the Bicentennial of the American Revolution, which I understand your committee will consider on Thursday of this week.

In acting on a companion bill last week the Senate adopted amendments which would (1) require issuance of 60 million gold coins, (2) terminate regulation of private transactions in gold by January 1, 1975, and (3) provide that any sale of gold by the Treasury should be at a price no lower than the average market price in the previous month. These amendments, if enacted into law, would tend to raise the market price of gold at a time when we have been experiencing a sharp speculative run-up in that price. The amendments would thus tend to reinforce speculative forces that have worked against efforts to restore price stability in this and other countries. In addition, reduction of U.S. international monetary reserves by issuing gold coins could further erode confidence in the dollar at a time when it is already seriously undervalued in exchange markets.

Moreover, enactment of these amendments would adversely affect negotiations now underway regarding the future role of gold in a reformed international payments system. The need to expedite these negotiations has been recognized by your committee in H.R. 6912, amending the Par Value Modification Act. It would be most regrettable if progress toward monetary reform were further delayed by the confusion regarding this Government's gold policies that I fear would ensue from adoption of the Senate amendments.

In short, I believe this is a particularly inopportune time to enact legislation that would tend to increase the demand for gold, thereby risking a further drain on our balance of payments. With regard to terminating restrictions on private ownership of gold, your committee and the House have agreed that this step should be taken when it can be done without adversely affecting the international monetary position of the United States. I hope that you will hold to that position.

With warm regards,
Sincerely yours,

ARTHUR F. BURNS.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 8789. I am pleased to tell you this bill was reported out of the Committee by a unanimous voice vote. It will stimulate widespread citizen recognition of our Nation's Bicentennial without cost to the Government. H.R. 8789 is favored in its present form by the administration. With a record like that, I would hope the Committee on Banking and Currency can brag a little about bringing a bill to the floor that is not controversial.

Mr. Chairman, the gentlewoman from Missouri has explained the background and the progress of the legislation. So I need not repeat all of what she has said. I do want to note, however, that I am one of those who initially favored making all new coins from the penny on up bicentennial coins. I am sorry that we cannot do this but I am convicend without reservation that it would not be possible to mint all new coins without precipitating a coin shortage of such a magnitude that the commerce of this country would be seriously impeded. The memory of our last coin shortage is still fresh in my mind and I do not want to see another.

At the same time, I think it is of the utmost importance that we produce a Bicentennial coin which will enjoy wide circulation. Dollars and half dollars do not meet that test so we have included the requirement for a bicentennial guarter. Quarters do enjoy wide usage even among children as the good humor will testify and we believe it will be a good harbinger of the Bicentennial message.

Mr. Chairman, I want to point out that the bill provides that these special bicentennial coins are to be put in use beginning on July 4, 1975. That is less than two years from now. When you consider the time required to select a proper design, strike dies, and to produce and distribute an initial inventory of coins, this is a very short period of time. We had hoped to have this bill passed before this, but it is imperative that it now be enacted into law as soon as possible. Any action, or inaction, on our part may cause delays which could prevent the timely issuance of these coins. I think this would be a disaster because from where I sit it does not appear that the Bicentennial Commission's proposed programs are moving ahead very vigorously and these coins may well be the one commemorative activity on which we can rely.

I mention this particularly because the bill passed by the other body contains three troublesome provisions which may also be offered here today. I hope we will vote them down if they are.

One of these calls for the minting of a gold coin, one for a silver coin, and one fixing a date certain for the private ownership of gold. The gold provisions are particularly onerous to the administration in view of the chaotic conditions in world gold markets and negotiations on monetary reform. If this legislation is sent to the White House with these provisions we run the risk of a veto and further delays in working on these Bicentennial coins.

Mr. Chairman, our Nation has its troubles as we are all too well aware. But it would be a great mistake for us to let those troubles blind us to our great accomplishments as a nation during these past 200 years.

The time has come to rededicate ourselves to those principles which have made us the leading nation in the world. I believe the Bicentennial coins will bring that message to every man, woman, and child. I urge the passage of this bill without encumbering amendments.

Mr. PATMAN. Mr. Chairman, in less than 22 months—on July 4, 1975—the Nation will enter the 200th year of its founding, launching a series of observances which we all hope will stimulate a rededication by our citizens to the principles of freedom, justice, and democracy. We have gone through an ordeal of public disenchantment and disillusionment in the processes of self-government. As a people with a proud heritage, we desperately need to renew our confidence in our ability to manage our national affairs in a manner which will once again inspire in every citizen a sense of personal participation in, and identification with, one of the greatest and noblest and most durable political experiments in the history of man.

H.R. 8789 proposes a significant contribution to the observance of the Bicentennial of the American Revolution through changes in the designs of certain of our major coins. These coins will be available to the public not only as commemorative keepsakes to be saved and treasured as family heirlooms and collector pieces but also as instruments of daily commerce, to remind each of us when we receive or spend such a coin in commerce that many brave men died, and a courageous population suffered many hardships to provide Americans with the independence on which to build the precious rights and privileges of American citizenship.

Our coins have traditionally reflected our pride of heritage in the meaning of

America—the requirement that the design on the obverse "shall be an impression emblematic of liberty, with an inscription of the word 'Liberty,' " and that the reverse bear the inscriptions "United States of America" and "E Pluribus Unum." Since 1955, all of our coins must bear the motto "In God We Trust," reflecting the spiritual foundation of our society.

So each time we receive or spend a coin of any denomination, we are reminded of the meaning of our nationhood. Under H.R. 8789, we will be similarly reminded during the Bicentennial observance, and probably for many years thereafter, of our origins as a Nation, whenever we spend or receive a dollar coin, or a half-dollar, or a quarter.

For those coins will bear on their reverse side designs which commemorate Lexington and Concord, or Valley Forge, or the Declaration of Independence or whatever themes are selected from a nationwide competition open to all citizens, not just professional sculptors or designers.

Under H.R. 8789, every dollar, half-dollar and twenty-five cent coin minted for issuance beginning July 4, 1975, until January 1, 1977, would bear the anniversary date "1776–1976", and all such coins would bear on their reverse side designs emblematic of the Bicentennial. The special coins could be minted indefinitely into the future, until the Secretary of the Treasury decides to terminate this means of observing the Bicentennial, but beginning January 1, 1977, the dates would have to be changed. In addition to the actual date of coinage, those minted for issuance in 1977 and thereafter could also bear dates emblematic of the Bicentennial.

A further provision of the bill permits the Bureau of the Mint to use any of its facilities for the production and storage of coins, until such time as the Secretary determines that the mints of the United States are adequate for the production of ample supplies of coins and medals.

The bill was unanimously approved by the Commitee on Banking and Currency.

I urge support of this legislation.

Mrs. SULLIVAN. Mr. Chairman, I have no request for time.

Mr. WYLIE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 8789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the reverse side of all dollars, half-dollars, and quarters minted for issuance on or after July 4, 1975, and until such time as the Secretary of the Treasury may determine shall bear a design determined by the Secretary to be emblematic of the Bicentennial of the American Revolution.

SEC. 2. All dollars, half-dollars, and quarters minted for issuance between July 4, 1975, and January 1, 1977, shall bear "1776–1976" in lieu of the date of coinage; and all dollars, half-dollars, and quarters minted thereafter until such time as the Secretary of the Treasury may determine shall bear a date emblematic of the Bicentennial in addition to the date of coinage.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 2, after line 4, add the following new section and redesignate the succeeding sections accordingly:

SEC. 3. Notwithstanding any other provision of law, rule, regulation, or order, the Secretary of the Treasury is authorized and directed to coin and issue or cause to be sold, between July 4, 1975, and January 1, 1977, special gold coins commemorating the Bicentennial of the American Revolution of such design, in such denomination, in such quantities (not exceeding sixty million pieces), and containing such other metals, as he determines to be appropriate. Notwithstanding any other provision of law, coins minted under this section may be sold to and held by the public, and the Secretary of the Treasury is authorized, by regulation, to limit the number of gold pieces which any one person may purchase.

Mrs. SULLIVAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CRANE. Mr. Chairman, there is nothing unique or original about this amendment to the bill. In fact, this language is contained in the Senate equivalent of the bill under consideration by this body. It was introduced by Senator HATFIELD and passed overwhelmingly.

The amendment simply provides an opportunity for the Treasury, on the occasion of our bicentennial of the Republic, to mint 60 million coins containing gold for distribution to American citizens under terms regulated by the Secretary of the Treasury. I believe it is an altogether fitting and appropriate type of memorial.

It seems to me that when future civilization attempts to look back on the rise and fall of the American Republic, as surely some historian will, that historian is going to be impressed by the fact that early in the years of the Republic we did indeed have magnificent gold and silver coinage.

It seems to me, at this juncture in our history, when we are talking about celebrating our 200th birthday with the minting of the cupro-nickel or so-called sandwich coins, it is a rather sad commentary on the state of the Republic in 1976.

There have been arguments advanced both by Under Secretary of the Treasury Volker as well as the distinguished chairwoman of the Subcommittee on Consumer Affairs, in opposition to this particular amendment. One of the objections that has been advanced has been the charge that abroad, at the time we are trying to secure international monetary reform, there are some who would view this action as one lending perhaps some degree of credence to the notion that we are trying to reemphasize the role of gold in our national monetary system.

It strikes me that nothing could be further from the truth, inasmuch as we are talking about 60 million coins with the quantities to be regulated by the Secretary of the Treasury for purchase by American citizens only. This is particularly so when one considers the testimony of Treasury in the hearings before our committee. They indicated that they would have to sell a coin containing 0.13 ounces of gold for $35, and this would be based on a market price of $120 an ounce. I do not believe there is the remotest possibility that anybody will misinterpret what is the intent of this body if it does accept this amendment.

Second, the charge was made by Under Secretary of the Treasury Volker that at $35 an ounce this cost would be prohibitive to the average American, who would be denied the opportunity to purchase one of these precious coins.

I would only remind the Under Secretary that we have been selling, as he well knows, savings bonds in this country—the lowest denomination being a $25 bond—and during the fiscal year 1973 alone we sold $134 million worth. Since 1941 we have sold $3.5 billion of savings bonds of a variety of denominations.

Another charge that has been advanced is that this would somehow adversely affect our balance of payments. It would not if we took this gold out of the Treasury. To mint 60 million coins at the market price for gold today we would be taking $800 million worth of gold out of the Treasury; but at the official price it would be only $336 million worth.

In addition to this we should consider again the testimony by the Treasury Department about what the percentage of gold would be in these coins. At 0.13 ounce per coin, and selling for $35 each, Treasury would reap a profit, at the market price for gold, of $1.3 billion by minting these 60 million coins. If we take the official price for gold the Treasury profit would amount to $1.7 billion.

Finally there has been a suggestion that if we incorporated this particular amendment in the present bill we would run into some kind of a deadlock or stalemate, haggling with the Senate in conference.

Mr. Chairman, that hardly seems probable inasmuch as this particular provision is already in the Senate bill, and it strikes me that this simply provides an opportunity to expedite the work of the conferees when the two bodies, the Senate and the House, get together.

POINT OF ORDER

Mrs. SULLIVAN. Mr. Chairman, I make a point of order against the language in this amendment, because under the Rules of the House, one individual proposition may not be amended by another individual proposition, even though the two belong in the same class.

This bill merely changes the designs of our existing coins. It does not change the content of the coin or of the denomination.

Further, Mr. Chairman, we are dealing here in this bill with currency and not commemorative coins.

Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. Does the gentleman from Illinois (Mr. CRANE) wish to be heard on the point of order?

Mr. CRANE. Yes, Mr. Chairman, I would like to be heard.

It must be abundantly clear to one and all that we are not talking about coin of the realm when we talk about minting a gold coin with 0.13 ounce of gold that will be selling for $35. We are speaking exclusively about commemorative coins. If we were talking about minting coin of the realm and circulating that, we

would have to sell the coins at a figure substantially half that figure of $35 which the Treasury ordered.

Second, with respect to the question of the action of this particular bill, it seems to me that there is something much more dramatic involved than overturning existing law on the subject of what shall be on the reverse or the obverse side of any coin, which at the present time regulations dictate cannot be altered except once every 25 years, and that the talk of creating another commemorative coin for distribution to those who wish to memorialize the Bicentennial is not nearly so radical a departure from the intent of this legislation and, in fact, is, indeed, germane.

Mr. WYLIE. Mr. Chairman, I rise in support of the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. WYLIE. Mr. Chairman, I believe this amendment is not germane to the bill before us and, therefore, think that a point of order on germaneness should lie. This bill does deal with coin of the realm. The entire purpose of having half dollars, dollars, and quarters minted into Bicentennial coin is because they are coins in general circulation at the present time.

Mr. Chairman, this amendment would create a whole new coin which would be a collector's item and not be coin of the realm, as the gentleman has suggested. Therefore, I do think that it changes the subject of the bill; changes the purpose of the bill, and, therefore, is not germane.

The CHAIRMAN (Mr. MATSUNAGA). The Chair is prepared to rule.

The Chair having listened to the arguments made by the gentlewoman from Missouri (Mrs. SULLIVAN), the gentleman from Illinois (Mr. CRANE), and the gentleman from Ohio (Mr. WYLIE) recalls that on October 15, 1969, the Chair, while presiding over the debate on H.R. 14127, had a similar amendment offered, and at that time the Chair ruled that to a bill relating to the minting and issuance of public currency, as is the case proposed by H.R. 8789, an amendment providing for minting any coin for a private purpose or for a commemorative purpose was held not to be germane.

Accordingly, the Chair is constrained to sustain the point of order.

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

Mr. Chairman, do I understand that all seigniorage and profits otherwise will go to the Treasury of the United States and none of it will be directed into funds for colleges or something of that kind?

Mrs. SULLIVAN. Will the gentleman yield?

Mr. GROSS. I yield.

Mrs. SULLIVAN. That is right. It will go right back to the Treasury and stay in the Treasury.

Mr. GROSS. And all of these coins will be minted out of the same scrap metal we now have in our coins. Is that correct?

Mrs. SULLIVAN. The same as our present coins. Yes, sir.

Mr. GROSS. Does the committee have any idea whether by 1976 we will be using plastic or wood for coins?

Mrs. SULLIVAN. The committee has not any idea on this, and I think we have to ask the director of the mint.

Mr. GROSS. Would she know whether we are going to have any value left in our coins, even though our quarters today actually have an intrinsic value of about 2 cents and our 50-cent pieces an intrinsic value of about the same amount of perhaps 3 cents and dollars about the same amount? Would she and—I believe it is a she—the director of the mint have any idea of what the situation will be like by 1976, in view of the fact that the value of the dollar in April was 31 cents?

Mrs. SULLIVAN. I would say that if the inflation was going at the same rate as it is going today, there may be some question. We will just have to wait until that time.

Mr. WYLIE. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. WYLIE. I do not think that is quite a proper response. The bill before us merely amends the present law so that Bicentennial coins would be made of the same material as those now in general circulation——

Mr. GROSS. The gentleman would not want scrap metal quarters in circulation, would he, in 1976 if otherwise our minting was done in plastic or by the use of wood?

Mr. WYLIE. If the gentleman will yield further, what I am suggesting is that Bicentennial coins will be manufactured of cupronickel as coins are now. We are not talking about plastic coins or coins of some other substance. The law now provides that the dollar, the half dollar, and the quarter will be made of cupronickel and all this bill does is to change the design on the back of certain coins to depict the Bicentennial.

Mr. GROSS. What I am trying to get at is whether the coins will still be scrap metal.

Mr. WYLIE. They will not be plastic or wood.

Mr. GROSS. Or whether they will have some intrinsic value.

I have not taken the opportunity to go to the dictionary, but what is the meaning of "cupro"?

Mr. WYLIE. Copper.

Mr. GROSS. I thank the gentleman.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: On page 2, following line 4, insert a new section 3 as follows and renumber the succeeding section accordingly:

SEC. 3. (a) Notwithstanding any other provision of law with respect to the design of coins, the Secretary of the Treasury shall mint and issue at face value through the Federal Reserve banks after July 4, 1975, and until such time as the Secretary of the Treasury may determine, one hundred and fifty million or more circulating one-dollar coins which shall bear a design determined by the Secretary of the Treasury to be emblematic of the bicentennial of the American Revolution. These one-dollar coins shall meet the following specifications:

(A) a diameter of 1.500 inches;

(B) a cladding of an alloy of 800 parts of silver and 200 parts of copper; and

(C) a core of an alloy of silver and copper such that the whole coin weighs 24.592 grams and contains 9.837 grams of silver and 14.755 grams of copper.

(b) The Secretary of the Treasury shall mint and issue, in uncirculated proof form, the above-specified coin in quantities and prices as he shall determine to be appropriate.

Mrs. SULLIVAN. Mr. Chairman, I reserve a point of order against this amendment also.

The CHAIRMAN. The gentlewoman from Missouri reserves a point of order on the amendment.

Mr. CRANE. Mr. Chairman, I think that the particular amendment in question meets all of the objections that were raised under the point of order on the question of minting Bicentennial gold coins because the fact is we are already minting dollar denominations in coins of cupro-nickel.

Mr. WYLIE. Mr. Chairman, would the gentleman yield?

Mr. CRANE. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding, and I would ask the gentleman from Illinois if we could have a copy of the amendment since we have not seen it.

Mr. CRANE. Mr. Chairman, the gentleman from Idaho (Mr. SYMMS) can provide the Members of the House with copies of the amendment.

Mr. WYLIE. I thank the gentleman.

Mr. CRANE. Mr. Chairman, getting back to my point, we are already minting $1 coins. All this particular amendment does is follow the precedent established with the minting of the Eisenhower silver dollars, which contained 40 percent silver. That is all this particular amendment would do with regard to the Bicentennial dollar coin proposed in the bill.

As I say, Mr. Chairman, I think this amendment meets all of the objections that were provided by both sides of the aisle with respect to gold coins because under this Bicentennial Coinage Act indeed we are going to continue to mint dollar coins, all we are going to do is to change the reverse side of the coin and put an emblem there to celebrate our Bicentennial.

All this amendment would do in addition to that is to give latitude to the Secretary of the Treasury to create in at least this denomination a coin of a more exquisite nature, that is, which is made up of 40 percent silver.

I would strongly urge my colleagues in this body, in the best tradition of minting the Eisenhower silver dollars, to accept this proposal as a fitting way to celebrate our Nation's 200th birthday.

Mr. Chairman, I would be very happy to yield some time to my good friend, the gentlemen from Idaho (Mr. SYMMS), inasmuch as I in fact stole the gentleman's amendment here. The gentleman is from a State that I am sure would particularly appreciate the minting of a coin containing more silver. And I take this time to apologize to the gentleman from Idaho for introducing the gentleman's amendment while the gentleman was out of the Chamber.

Mr. SYMMS. Mr. Chairman, I thank the gentleman from Illinois for yielding me the time, and I would also like to speak on the point of order.

The CHAIRMAN. The Chair will state to the gentleman from Idaho that com-

ments on the point of order that has been raised are not in order at this point.

Mr. SYMMS. Mr. Chairman, I thank the gentleman from Illinois (Mr. CRANE) for introducing the amendment which is similar to an amendment which I had brought to the floor today, and had intended to introduce. I rise in support of the amendment offered by the gentleman from Illinois.

I think that the anniversary we are to celebrate, the 200th anniversary of the freedom of this country, would not be properly celebrated if we have more of these counterfeit coins, which are being minted now at the mint. I think this would only be cruel treatment to the young people in the future of this country if they are not allowed to have some good, precious-metal. These coins would have a third of an ounce of silver in them at the price that the Treasury acquired that silver, which would work out to be an average of 50 percent from the cost the Treasury has minted, disregarding the current price of silver, which could actually return directly to the Treasury money that the American people would spend to have hold of something good, some good money instead of the counterfeit money that we have been printing down there on 14th Street for the past few years. Our currency and coins are cheap sad commentary to the principle of freedom on which our country was founded.

I would like to say to the gentleman from Illinois that this would be the first money, except for the Eisenhower and Kennedy dollars and half dollars, dollars that are made of silver, that this country has minted for quite some time, and that is not just pure counterfeit.

I think if the gentleman (Mr. CRANE) and I were to go to his basement with a printing press and print paper that the Members of this Chamber could not tell from the kind that they print down on 14th Street, we would find that we would be arrested for counterfeiting; but the Government prints those down at 14th Street and it is called money—because of the legal tender laws. This would give us an opportunity to put some money in circulation, which, of course, would be hoarded by the people, because bad money, as Gresham's law points out, always drives good money underground—as long as we have a Government that declares valueless money the legal tender. I think still, even though hoarded, it would be saved by the American people, and this would not be the rich and wealthy but the person on the street who would like to have the opportunity to celebrate this 200th anniversary and have a good silver dollar, and have the old dollar be as sound as the dollar it once was back in the days when we used to put silver in money, and meant it when we said "In God we trust," I think it would be a real tribute to this country, particularly when the silver available for this is already in the Treasury. It is in the mint, and would be a real service to the American public to put it in divisible form of coins and place it in their hands—so when the day of reckoning does come when we have to carry bushel baskets of fiat money to buy a mere loaf of bread, thanks to irresponsible politicians inflationary, our money supply, thereby diluting the value of our money.

The other argument that there is a shortage of silver is pure poppycock—we have lots and lots of silver yet to be mined in my State and we will be glad to provide it as the market calls for it.

The CHAIRMAN. The time of the gentleman has expired.

POINT OF ORDER

Mrs. SULLIVAN. Mr. Chairman, I insist on my point of order.

Mr. Chairman, I make the same point of order as I did previously.

Mr. Chairman, I repeat what I said on the previous amendment. Under the Rules of the House, one individual proposition may not be amended by another individual proposition, even though the two belong in the same class.

The CHAIRMAN. Does the gentleman from Illinois wish to speak on the point of order?

Mr. CRANE. Yes, Mr. Chairman, I should like to.

Mr. Chairman, it strikes me that the gentlewoman's objections are not consistent. In the last one we were talking about striking an altogether new coin and minting gold coins. Under the provisions of this particular act we are planning to continue to mint a dollar denomination coin. All that is proposed is changing in the present legislation the imprint on the reverse side of that coin. What this particular amendment does is give the Secretary of the Treasury further instructions with respect to the content of that coin, stipulating that approximately 40 percent of this shall be made up of silver instead of the percentage of composition of copper and nickel in the present coinage.

The CHAIRMAN. Does the gentleman from Ohio wish to be heard on the point of order?

Mr. WYLIE. Mr. Chairman, I should like to be heard on the point of order.

I support the point of order made by the gentlewoman from Missouri. Again, the Eisenhower proof set dollar was not minted as coin of the realm. These 40-percent silver dollars were minted to be sold as collectors' items, as proof coins. As the gentleman in the well knows, they are being sold for $10 apiece. They are not in general circulation. They are not being minted for general distribution.

The bill before us specifically provides for the minting of general circulation coin of the realm.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Illinois.

Mr. CRANE. I am not suggesting, in response to the objection the gentleman raises, that these coins not be distributed as coin of the realm. Instead, they will be minted with only 40 percent of silver content. The Treasury can still make a profit by selling those at $1. So these are coin of the realm.

Mr. WYLIE. On that point the gentleman's amendment says and I read:

> The Secretary of the Treasury shall mint and issue, in uncirculated proof form, the above-specified coin in quantities and prices as he shall determine to be appropriate.

The language in the gentleman's amendment specifically says that the coin shall be in proof form.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Idaho.

Mr. SYMMS. Will the gentleman from Ohio withdraw the point of order on that point if we strike section (b) from this amendment? Section (a) of this amendment is strictly coin of the realm.

Mr. WYLIE. No; because I do not think a silver coin provision would be germane to this bill in any event.

Mr. SYMMS. Mr. Chairman, I should like to speak to the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho on the point of order.

Mr. SYMMS. I thank the Chairman.

Section 3 in this amendment is in two sections, section (a), and section (b).

There certainly should be no objection to section (a) of this amendment because it deals strictly in coin of the realm, and I would argue the point of order that section (b) would be open to amendment and we could scratch the section (b), if it would suit the committee, in debate of the bill.

Mr. WYLIE. If the gentleman will yield, I did not understand him entirely.

Mr. SYMMS. On the amendment, section (a) says:

> Notwithstanding any other provision of law with respect to the design of coins, the Secretary of the Treasury shall mint and issue at face value through the Federal Reserve banks after July 4, 1975, . . .

That is coin of the realm. Then section (b) provides:

> The Secretary of the Treasury shall mint and issue, in uncirculated proof form, the above-specified coin in quantities and prices as he shall determine to be appropriate.

So there are two sections in here and we would be able to strike section (b) if that would help.

Mr. WYLIE. I think there is a point of order pending on the floor at this time, so I do not think it would be appropriate to talk about striking section (b) or any part of the amendment.

The CHAIRMAN (Mr. MATSUNAGA). The Chair is prepared to rule.

The Chair, after listening to the arguments on both sides, is constrained to sustain the point of order for the reason that the bill now pending provides for a new coinage design that would be emblematic of the Bicentennial of the American Revolution and it applies to dollars, half-dollars, and quarters. The amendment goes to the metal content of the dollar coin, a matter not within the preview of the bill, coin, and the Chair therefore is constrained to sustain the point of order.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SYMMS: On page 2, following line 4, insert a new section 3 as follows and renumber the succeeding section accordingly:
>
> SEC. 3. (a) Notwithstanding any other provision of law with respect to the design of coins, the Secretary of the Treasury shall mint and issue at face value through the Federal Reserve banks after July 4, 1975, and until such time as the Secretary of the Treasury may determine, one hundred and fifty million or more circulating one-dollar coins which shall bear a design determined

by the Secretary of the Treasury to be emblematic of the bicentennial of the American Revolution. These one-dollar coins shall meet the following specifications:

(A) a diameter of 1.500 inches;

(B) a cladding of an alloy of 800 parts of silver and 200 parts of copper; and

(C) a core of an alloy of silver and copper such that the whole coin weighs 24.592 grams and contains 9.837 grams of silver and 14.755 grams of copper.

POINT OF ORDER

Mrs. SULLIVAN. Mr. Chairman, I make a point of order against this amendment. It goes to the metal content of the coin and not the design of the coin.

The CHAIRMAN. The gentlewoman raises a point of order.

Does the gentleman from Idaho wish to speak on the point of order?

Mr. SYMMS. Mr. Chairman, I would say on the point of order, it is coin of the realm, and I would be willing to hear the ruling of the Chair.

The CHAIRMAN (Mr. MATSUNAGA). The Chair is prepared to rule.

The Chair's previous ruling applies to the point of order against the amendment, that this amendment goes to the metal content of the coin whereas the bill pending before the committee pertains only to the design and date of the coin proposed to be minted. The Chair therefore sustains the point of order.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. Until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins and medals, any facility of the Bureau of the Mint may be used for the manufacture and storage of medals and coins.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MCFALL) having resumed the chair, Mr. MATSUNAGA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8789) to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half-dollars, and quarters, and for other purposes pursuant to House Resolution 539, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill 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 bill.

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

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quourm 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 396, nays 4, not voting 34, as follows:

[Roll No. 451]

YEAS—396

Abdnor	Diggs	Jordan
Abzug	Dingell	Karth
Adams	Donohue	Kastenmeier
Addabbo	Dorn	Kazen
Alexander	Downing	Keating
Anderson, Calif.	Drinan	Ketchum
Andrews, N.C.	Dulski	King
Andrews, N. Dak.	Duncan	Kluczynski
Annunzio	du Pont	Koch
Archer	Eckhardt	Kuykendall
Arends	Edwards, Ala.	Kyros
Armstrong	Edwards, Calif.	Landgrebe
Ashley	Eilberg	Latta
Aspin	Erlenborn	Leggett
Badillo	Esch	Lehman
Bafalis	Eshleman	Lent
Baker	Evans, Colo.	Litton
Bauman	Evins, Tenn.	Long, La.
Beard	Fascell	Long, Md.
Bell	Findley	Lott
Bennett	Fish	McClory
Bergland	Fisher	McCloskey
Bevill	Flood	McCollister
Biaggi	Flowers	McCormack
Biester	Flynt	McDade
Bingham	Foley	McFall
Blackburn	Ford, Gerald R.	McKay
Blatnik	Ford, William D.	McKinney
Boggs	Forsythe	Macdonald
Boland	Fountain	Madden
Bowen	Fraser	Madigan
Brademas	Frelinghuysen	Mahon
Brasco	Frenzel	Mailliard
Bray	Frey	Mallary
Breaux	Froehlich	Mann
Breckinridge	Fulton	Maraziti
Brinkley	Fuqua	Martin, Nebr.
Brooks	Gaydos	Martin, N.C.
Broomfield	Gettys	Mathias, Calif.
Brotzman	Giaimo	Matsunaga
Brown, Calif.	Gibbons	Mayne
Brown, Mich.	Gilman	Mazzoli
Brown, Ohio	Ginn	Meeds
Broyhill, N.C.	Goldwater	Melcher
Broyhill, Va.	Gonzalez	Metcalfe
Buchanan	Goodling	Mezvinsky
Burgener	Grasso	Michel
Burke, Fla.	Gray	Milford
Burke, Mass.	Green, Oreg.	Miller
Burleson, Tex.	Green, Pa.	Minish
Burlison, Mo.	Griffiths	Mink
Burton	Gross	Minshall, Ohio
Butler	Grover	Mitchell, N.Y.
Byron	Gubser	Mizell
Camp	Gude	Moakley
Carey, N.Y.	Gunter	Montgomery
Carney, Ohio	Haley	Moorhead, Calif.
Carter	Hamilton	Moorhead, Pa.
Casey, Tex.	Hammer-schmidt	Morgan
Cederberg	Hanley	Mosher
Chamberlain	Hanna	Moss
Chappell	Hansen, Idaho	Murphy, Ill.
Clancy	Hansen, Wash.	Murphy, N.Y.
Clausen, Don H.	Harrington	Myers
Clay	Harsha	Natcher
Cleveland	Harvey	Nedzi
Cochran	Hastings	Nelsen
Cohen	Hawkins	Nichols
Collins, Ill.	Hays	Nix
Collins, Tex.	Hechler, W. Va.	Obey
Conable	Heckler, Mass.	O'Brien
Conlan	Heinz	O'Hara
Conte	Helstoski	Owens
Conyers	Henderson	Parris
Corman	Hicks	Passman
Cotter	Hillis	Patman
Coughlin	Hinshaw	Patten
Crane	Hogan	Pepper
Cronin	Holifield	Perkins
Culver	Holt	Pettis
Daniel, Dan	Holtzman	Peyser
Daniel, Robert W., Jr.	Horton	Pickle
Daniels, Dominick V.	Hosmer	Pike
Danielson	Howard	Poage
Davis, Ga.	Huber	Podell
Davis, Wis.	Hudnut	Preyer
de la Garza	Hungate	Price, Ill.
Dellenback	Hunt	Price, Tex.
Dellums	Hutchinson	Pritchard
Denholm	Ichord	Quie
Dennis	Jarman	Quillen
Dent	Johnson, Calif.	Railsback
Derwinski	Johnson, Colo.	Randall
Devine	Johnson, Pa.	Rarick
Dickinson	Jones, Ala.	Rees
	Jones, N.C.	Regula
	Jones, Okla.	Reuss
	Jones, Tenn.	Rhodes
		Riegle
		Rinaldo
		Roberts
		Robinson, Va.
		Robison, N.Y.
		Rodino
		Roe
		Rogers
		Roncalio, Wyo.
		Roncallo, N.Y.
		Rooney, Pa.
		Rose
		Rosenthal
		Rostenkowski
		Roush
		Rousselot
		Roy
		Roybal
		Ruppe
		Ruth
		Ryan
		Sarasin
		Sarbanes
		Satterfield
		Saylor
		Scherle
		Schneebeli
		Schroeder
		Sebelius
		Seiberling
		Shipley
		Shriver
		Shuster
		Sikes
		Sisk
		Skubitz
		Slack
		Smith, Iowa
		Smith, N.Y.
		Snyder
		Spence
		Staggers
		Stanton, J. William
		Stanton, James V.
		Stark
		Steed
		Steele
		Steelman
		Steiger, Ariz.
		Steiger, Wis.
		Stephens
		Stokes
		Stubblefield
		Stuckey
		Studds
		Sullivan
		Symington
		Symms
		Talcott
		Taylor, Mo.
		Taylor, N.C.
		Teague, Calif.
		Thompson, N.J.
		Thomson, Wis.
		Thone
		Thornton
		Tiernan
		Towell, Nev.
		Treen
		Udall
		Van Deerlin
		Vander Jagt
		Vanik
		Veysey
		Vigorito
		Waggonner
		Walsh
		Wampler
		Ware
		Whalen
		White
		Whitehurst
		Whitten
		Widnall
		Williams
		Wilson, Bob
		Wilson, Charles, Tex.
		Winn
		Wolff
		Wright
		Wyatt
		Wydler
		Wylie
		Wyman
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Ga.
		Young, Ill.
		Young, S.C.
		Young, Tex.
		Zablocki
		Zion
		Zwach

NAYS—4

Rangel	Wilson, Charles H., Calif.	
Waldie		
Wiggins		

NOT VOTING—34

Anderson, Ill.	Hanrahan	Powell, Ohio
Ashbrook	Hébert	Reid
Barrett	Kemp	Rooney, N.Y.
Bolling	Landrum	Runnels
Burke, Calif.	Lujan	St Germain
Chisholm	McEwen	Sandman
Clark	McSpadden	Shoup
Clawson, Del	Mathis, Ga.	Stratton
Collier	Mills, Ark.	Teague, Tex.
Davis, S.C.	Mitchell, Md.	Ullman
Delaney	Mollohan	
Guyer	O'Neill	

So the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Collier.
Mr. St Germain with Mr. Sandman.
Mr. Rooney of New York with Mr. Lujan.
Mrs. Burke of California with Mrs. Chisholm.
Mr. Davis of South Carolina with Mr. McEwen.
Mr. McSpadden with Mr. Ashbrook.
Mr. Mills of Arkansas with Mr. Kemp.
Mr. Clark with Mr. Guyer.
Mr. Landrum with Mr. Delaney.
Mr. Stratton with Mr. Mollohan.
Mr. Mathis of Georgia with Mr. Del Clawson.
Mr. Hébert with Mr. Powell of Ohio.
Mr. Barrett with Mr. Mitchell of Maryland.
Mr. Reid with Mr. Shoup.
Mr. Teague of Texas with Mr. Ullman.
Mr. Anderson of Illinois with Mr. Runnels.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the rule, the Committee on Banking and Currency is discharged from further consideration of the bill (S. 1141) to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MRS. SULLIVAN

Mrs. SULLIVAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mrs. SULLIVAN moves to strike out all after the enacting clause of the Senate bill S. 1141 and insert in lieu thereof the provisions contained in H.R. 8789 as passed by the House.

The motion was agreed to.

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

The title was amended so as to read: "To provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half-dollars, and quarters, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8789) was laid on the table.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE A REPORT ON S. 1914, BOARD FOR INTERNATIONAL BROADCASTING ACT OF 1973, UNTIL MIDNIGHT THURSDAY

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs have until midnight Thursday, September 13, to file a report on S. 1914, Board for International Broadcasting Act of 1973.

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

There was no objection.

PERSONAL STATEMENT

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

Mr. DULSKI. Mr. Speaker, I was unavoidably detained in my district September 10, 1973, and so missed two rollcall votes. Had I been present, I would have voted "yea" on both roll No. 442 and roll No. 443.

EMERGENCY MEDICAL SERVICES

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

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, when I was elected to office, I determined that I would try not to vote for new programs or the expansion of existing programs which would place a heavier tax burden on the taxpayers by causing either increased taxes or additional deficit spending. I am, therefore, reluctant to vote for any legislation which would cause an increase in Federal spending. However, there is in the emergency medical services bill a provision for the continuation of the Public Health Service hospital in Norfolk, which serves 90,000 inpatient and outpatient beneficiaries who are entitled by statute to such treatment. I have sought both from local medical authorities and from the Department of Health, Education, and Welfare information to justify either the continued operation or the closure of that hospital.

I had a meeting with officials of the Department of Health, Education, and Welfare who, although explaining that they felt that the services could be provided in other local hospitals, did not document their beliefs, and their arguments were unconvincing. I, therefore, sought additional information from the Tidewater Regional Health Planning Council. That organization was paid $42,000 by the Department of Health, Education, and Welfare to study the impact of the closure of the Public Health Service hospital on the total health care delivery service in the Tidewater area. I include in the RECORD a copy of the telegram which I received from Judge E. Preston Grissom, president of the Tidewater Regional Health Planning Council, in response to my inquiry:

All attempts to identify alternative facilities and physician manpower resources to provide adequate care for primary and secondary PHS beneficiaries at this time have failed. Initially identified sponsors to convert the US PHS hospital to community use have since withdrawn their proposals. Formal contact with area medical societies in an attempt to secure physicians willing and able to contract for the care of PHS beneficiaries was to no avail. Formal contact with hospitals in the Tidewater area and as far west as Richmond, Virginia fail to identify and obligate in patient and out patient facilities resources in quantity necessary to adequately care for PHS beneficiaries at this time. In the face of an increase of military population being relocated to the Tidewater area the Navy's medical manpower is down 36 percent.

It is the formal position of the Tidewater Regional Health Planning Council that area hospitals do not at this time possess the capabilities to provide adequate in patient and out patient care for PHS beneficiaries.

Based upon an indepth study conducted by TRHPC and paid for by the DHEW, the Council concluded that the closure of the US PHS hospital would cause undue and unnecessary hardship upon the health care delivery system in Tidewater Virginia.

It may be helpful if you would share this information with other Virginia congressmen.

E. PRESTON GRISSOM,
President, Tidewater Regional Health Planning Council.

Since that time I have had a telephone call from the president of the county medical association which represents all of the doctors in the Norfolk-Portsmouth-Chesapeake area which includes the Tidewater area in the Fourth and Second Districts of Virginia. He concurred in every statement made in the telegram which I received from the Tidewater Regional Health Planning Council.

I also sought information from the Norfolk Area Medical Center Authority which is responsible for the new medical college operating in the city of Norfolk, Va. I quote from the letter received from the chairman of that authority:

Although the Norfolk Area Medical Center Authority has never made a study of the impact of the closing of the United States Public Heath Service Hospital on this area, because such a study is the function of the Planning Council and not of the Authority, I, as an individual, share the general view of the community that the abrupt closing of the hospital without first making adequate provision for patients now being cared for therein would be disastrous insofar as the delivery of health care in the Tidewater area of Virginia and eastern North Carolina is concerned and would cause severe dislocations in the health delivery systems presently available to the population of this area.

All three of these organizations confirm the findings that the hospital should not be closed. The simple fact is that, according to the information furnished me by the organization who made the study and the other competent medical organizations in the area, if that hospital is closed, either the average daily patients of 127 who occupy that hospital and the 90,000 outpatients who use it will displace civilians currently using the civilian hospitals or they will go untreated.

I cannot, therefore, in good conscience vote to close that hospital.

SUPPORT OF THE NATIONAL ALLIANCE OF POSTAL AND FEDERAL EMPLOYEES

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

Mr. MITCHELL of Maryland. Mr. Speaker, I would like to bring to your attention a legal dispute now pending between the National Labor Relations Board and the U.S. Postal Service. The U.S. Postal Service is being charged with unfair labor practices as those practices are defined in section 8(1) of the National Labor Relations Act, as amended.

While the Postal Service bureaucracy has consistently turned a deaf ear to the requests of black postal workers, this latest case is a result of their present refusal to acknowledge the representative validity of the National Alliance of Postal and Federal Employees, a black controlled union.

The Postal Reorganization Act passed by Congress in 1970 has had both positive and negative ramifications. However, in this case it is being used as a means of further oppressing black employees. This is a situation which we can not tolerate. We can not allow legislation which was designed to expedite postal service in this country to be used instead to impede the Nation's social progress.

Robert L. White, president of the NAPFE, has consistently stressed that his union does not seek favoritism for minority employees. They seek only fair and equal treatment as a body representing thousands of employees. However, they have received anything but fair treatment. The history of their battle for acknowledged legitimacy as a bargaining power is a history of the Postal Service's collusion with the craft unions it seeks to nurture.

Why would the Postal Service, which

in the past has boasted of its degree of compliance with the Equal Opportunity Act, suddenly run scared when faced by a legitimate claim by a predominantly black union? The answer, I feel, lies in the fact that in recent years the Postal Service has, at best, halted its progress and, at worst, has done an about face in dealing with social programs. Take, for example, the report released by Postmaster General Klassen which announces the appointment of 7,585 postmasters since November 1970. While the Postal Service has been unable to provide us with the number of minority group employees which were appointed, we know for a fact that there is not a single black postmaster in any major city in the country. Figures like these naturally make the Postal Service uncomfortable about exposing their labor practices to objective scrutiny.

We are facing a time in which collusion within Government agencies, designed to cover up shady practices within those agencies, threatens the credibility of our entire governmental structure. The collusion between the Postal Service and the craft unions, aimed at filtering out the voices of minority employees, contributes in just that manner. In accordance with our already acknowledged priority of seeking out and eliminating those "deals" which counteract our representative function in Government I urge you to support the claims of the National Alliance of Postal and Federal Employees.

There is a second issue which I would bring before you today and that is the importance of credit unions to the black and poor community. Such unions represent one of the major means through which disadvantaged groups can move towards economic independence.

In November of 1971 the National Alliance of Postal and Federal Employees, representing as it does approximately 40,000 postal employees, decided to apply for a credit union charter. At that time NAPFE was assured by the National Credit Union Administration investigator assigned to the application, that a charter "would be routinely issued." However, on April 13, 1972, NAPFE received a curt and dubious rejection of its application. Appeals of that decision have proved as fruitless as the original effort. Since applications identical to NAPFE's have been, and are being, accepted—the latest being the United Mine Workers—I can only conclude that we are facing the same prejudices which are operating in the issue of representation. Racial biases and bureaucratic "malaise" are leaving thousands of postal employees with virtually nowhere to turn, or forcing them to turn to loan sharks and other exploitative devices. The action of Congress in the past 8 years have indicated a desire to combat this situation. To back down now that the battle has shifted from the local scene to the national, would serve to invalidate the credibility of our actions in the future.

SAFEGUARD REQUIREMENTS FOR COMPUTER INFORMATION

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

Mr. GOLDWATER. Mr. Speaker, we are all aware of the great assistance rendered society by the computers of our technological age. Without them, many of the activities we take for granted would become slow and cumbersome. Without computers, many of the great scientific and medical events of the past years would not have happened.

These same helpful computers, however, can be detrimental to individuals and society as a whole when they are used to invade our privacy and allowed to encroach upon our lives as free citizens.

To remedy any detrimental effect a computer or data bank may have, I recently introduced legislation that would provide for safeguard requirements in the area of computer information. Under my proposal, any individual would have the right to know what information is being recorded and maintained about him, and to obtain a copy on demand. He could then challenge the pertinence, accuracy or timeliness of the information, and find out who has been given access to the information. I would urge my colleagues to give this legislation serious consideration, as it affects all of us.

Mr. Speaker, at this point in my remarks, I would like to include a copy of the bill I have introduced for the benefit of our colleagues who have an interest in this vital matter:

H.R. 10042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Code of Fair Information Practices of 1973".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds—

(1) that an individual's personal privacy is directly affected by the kind of disclosure and use made of identifiable information about him in a record;

(2) that a record containing information about an individual in identifiable form must be governed by procedures that afford the individual a right to participate in deciding what the content of the record will be, and what disclosure and use will be made of the identifiable information in it;

(3) that any recording, disclosure, and use of identifiable personal information by an organization not governed by such procedures must be proscribed as an unfair information practice unless such recording, disclosure, or use is specifically authorized by Federal statute.

(b) The purpose of this Act is to insure safeguards for personal privacy from record-keeping organizations by adherence to the following principles of information practice:

(1) There must be no personal data record-keeping systems whose very existence is secret.

(2) There must be a way for an individual to find out what information about him is in a record and how it is used.

(3) There must be a way for an individual to prevent information about him obtained for one purpose from being used or made available for other purposes without his consent.

(4) There must be a way for an individual to correct or amend a record of identifiable information about him.

(5) Any organization creating, maintaining, using, or disseminating records of identifiable personal data must assure the reliability of the data for their intended use and must take reasonable precautions to prevent misuse of the data.

(6) Deviations from these principles should be permitted only if it is clear that some significant interest of the individual data subject will be served or if some paramount societal interest can be clearly demonstrated. No deviation should be permitted except as specifically provided by statute.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(a) The term "automated personal data system" means a collection of records containing personal data that can be associated with identifiable individuals, and that are stored, in whole or in part, in computer-accessible files.

(b) The term "data that can be associated with identifiable individuals" means that by some specific identification, such as a name or social security number, or because they include personal characteristics, it is possible to identify an individual with reasonable certainty.

(c) The term "personal data" includes all data that describes anything about an individual, such as identifying characteristics, measurements, test scores; that evidence things done by or to an individual such as records of financial transactions, medical treatment, or other services; or that afford a clear basis for inferring personal characteristics or things done by or to an individual, such as the mere record of his presence in a place, attendance at a meeting, or admission to some type of service institution.

(d) The term "computer accessible" means recorded on magnetic tape, magnetic disk, magnetic drum, punched card, or optically scannable paper or film.

(e) The term "data system" includes all processing operations, from initial collection of data through all uses of the data, including outputs from the system. Data recorded on questionnaire, or stored in microfilm archives, are considered part of a data system, even when the computer-accessible files themselves do not contain identifying information.

(f) The term "organization" means any Federal agency; the courts of the United States; the government of the District of Columbia; any public or private corporation, partnership, agency, or association which operates an administrative automated personal data system, or a statistical-reporting and research automated personal data system; and which is supported in whole or in part by Federal funds, Federal systems, or federally supported systems, or which directly or indirectly makes use of any means or instruments of transportation or communication in interstate commerce, or of the mails, or which carries or causes to be carried in the mails or interstate commerce, or by any other means or instruments of transportation any personal data; and any organization which maintains a record of individually identifiable personal data which it does not maintain as part of an administrative or as a statistical-reporting and research automated personal data system and which transfers such data to one of the above organizations in interstate commerce.

(g) The term "administrative personal data system" means one that maintains data on individuals for the purpose of affecting them directly as individuals; and for making determinations relating to their qualifications, character, rights, opportunities, or benefits.

(h) The term "statistical-reporting or research system" means one that maintains data about individuals exclusively for statistical reporting or research and is not intended to be used to affect any individual directly.

(i) The term "unfair personal information practice" means a failure to comply with any safeguard requirements of this Act.

(j) The term "data subject" means the individual whose name or identity is added to or maintained on an automated personal data system or a statistical-reporting or research system.

SAFEGUARD REQUIREMENTS FOR ADMINISTRATIVE PERSONAL DATA SYSTEMS

SEC. 4. (a) GENERAL REQUIREMENTS.—(1) Any organization maintaining a record of individually identifiable personal data, which it does not maintain as part of an administrative automated personal data system, shall make no transfer of any such data to another organization, without the prior informed consent of the individual to whom the data pertain, if, as a consequence of the transfer, such data will become part of an administrative automated personal data system that is not subject to these safeguard requirements.

(2) Any organization maintaining an administrative automated personal data system shall—

(A) identify one person immediately responsible for the system, and make any other organizational arrangements that are necessary to assure continuing attention to the fulfillment of these safeguard requirements;

(B) take affirmative action to inform each of its employees having any responsibility or function in the design, development, operation, or maintenance of the system, or the use of any data contained therein, about all these safeguard requirements and all the rules and procedures of the organization designed to assure compliance with them, and the nature of such action shall be supplied upon the reasonable request of a data subject;

(C) specify penalties to be applied to any employee who initiates or otherwise contributes to any disciplinary or other punitive action against any individual who brings to the attention of appropriate authorities, the press, or any member of the public, evidence of unfair personal information practice;

(D) take reasonable precautions to protect data in the system from any anticipated threats or hazards to the security of the system;

(E) make no transfer of individually identifiable personal data to another system without (i) specifying requirements for security of the data, including limitations on access thereto, and (ii) determining that the conditions of the transfer provide substantial assurance that those requirements and limitations will be observed—except in instances when an individual specifically requests that data about him be transferred to another system or organization;

(F) maintain a complete and accurate record of every access to and use made of any data in the system, including the identity of all persons and organizations to which access has been given;

(G) maintain data in the system with which such accuracy, completeness, timeliness, and pertinence as is necessary to assure accuracy and fairness in any determination relating to an individual's qualifications, character, rights, opportunities, or benefits, that may be made on the basis of such data.

(b) Any organization maintaining an administrative automated personal data system that publicly disseminates statistical reports or research findings based on personal data drawn from the system, or from systems of other organizations shall—

(1) make such data publicly available for independent analysis, on reasonable terms; and

(2) take reasonable precautions to assure that no data made available for independent analysis will be used in a way that might reasonably be expected to prejudice judgments about any individual data subject's character, qualifications, rights, opportunities, or benefits.

(c) PUBLIC NOTICE REQUIREMENT.—Any organization maintaining an administrative automated personal data system shall give public notice of the existence and character of its system once each year, in the case of Federal organizations in the Federal Register, or in the case of other organizations, in a media likely to bring attention to the evidence of the records to the data subject. Any organization maintaining more than one system shall publish such annual notices for all its systems simultaneously. Any organization proposing to establish a new system, or to enlarge an existing system, shall give public notice long enough in advance of the initiation or enlargement of the system to assure individuals who may be affected by its operation a reasonable opportunity to comment. The public notice shall specify:

(1) The name of the system.

(2) The nature and purpose(s) of the system.

(3) The categories and number of persons on whom data are (to be) maintained.

(4) The categories of data (to be) maintained, indicating which categories (to be) stored in computer-accessible files.

(5) The organization's policies and practices regarding data storage, duration of retention of data, and disposal thereof.

(6) The categories of data sources.

(7) A description of all types of use (to be) made of data, indicating those involving computer-accessible files, and including all classes of users and the organizational relationships among them.

(8) The procedures whereby an individual can (A) be informed if he is the subject of data in the systems;

(9) The procedures whereby an individual, group or organization can gain access to data used for statistical reporting or research in order to subject such data to independent analysis.

(10) The title, name, and address of the person immediately responsible for the system.

(11) A description of the penalties to be applied to any employee who initiates or otherwise contributes to any disciplinary or other punitive action against any individual who brings attention to any evidence of unfair information practices.

(d) RIGHTS OF INDIVIDUAL DATA SUBJECTS.—Any organization maintaining an administrative automated personal data system shall—

(1) inform an individual asked to supply personal data for the system whether he is legally required, or may refuse, to supply the data requested, and also of any specific consequence for him, which are known to the organization, of providing or not providing such data;

(2) upon request and proper identification of any data subject, clearly and accurately disclose to the data subject, in a form comprehensible to him—

(A) all data about the data subject;

(B) the sources of the information;

(C) the recipients of any transfer, report, dissemination, or use of data about the data subject, including the identity of all persons and organizations involved and their relationship to the system;

(3) comply with the following minimum conditions of disclosure to data subjects—

(A) an organization shall make the disclosures required under subsection 4(d)(2) during normal business hours;

(B) the disclosures required under section 4(d)(2) shall be made to the data subject (i) in person if he appears in person and furnishes proper identification; the data subject is entitled to personal, visual inspection of data about him; or (ii) by telephone if he has made a written request, with proper identification; telephone disclosures are to be made without charge to the data subject; and (iii) by mail if he has made a written request, with proper identification; and (iv) by providing a copy of his file, if requested, at a charge not to exceed 10 cents per page;

(C) the data subject shall be permitted to be accompanied by one person of his choosing, who shall furnish reasonable identification. An organization may require the data subject to furnish a written statement granting permission to the organization to discuss the data subject's file in such person's presence;

(D) subsection 4(d)(2) disclosure, shall not apply to subject files that are (i) directly related to international relations or international subversive activities, or (ii) active criminal investigatory data, except active criminal investigatory data which has been maintained for a period longer than reasonably necessary to bring indictment, information, or to commence prosecution.

(4) assure that no use of individually identifiable data is made that is not within the stated purposes of the system as reasonably understood by the individual, unless, in the case of each use of such data, the informed consent of the individual has been obtained in writing;

(5) assure that no data about an individual is made available from the system in response to a demand for data made by means of compulsory legal process, unless the individual to whom the data pertain has been notified of the demand; and

(6) If the completeness, accuracy, pertinence, timeliness, or necessity for retaining the data in the system is disputed by the data subject and the dispute is directly conveyed to the organization by the data subject, the following minimum procedures shall be followed:

(A) The organization shall within a reasonable period of time investigate and record the current status of that data unless it has reasonable grounds to believe that the dispute by the data subject is frivolous or irrelevant.

(B) If, after such investigation, such data is found to be inaccurate or can no longer be verified, the organization shall promptly delete such data.

(C) The presence of contradictory information in the data subject's file does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or irrelevant.

(D) If the investigation does not resolve the dispute, the data subject may file a brief statement setting forth the nature of the dispute; the organization may limit such statements to not more than one hundred words if the organization provides the data subject with assistance in writing a clear summary of the dispute.

(E) Whenever a statement of a dispute is filed, unless there are reasonable grounds to believe that it is frivolous or irrelevant, the organization shall, in any subsequent transfer, report, or dissemination of the data in question, clearly note that it is disputed by the data subject and provide either the data subject's statement or a clear and accurate summary thereof.

(F) Following any deletion of data which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed data, the organization shall, at the request of the data subject, furnish notification that the item has been deleted, or a statement, or summary, which contains the deleted or disputed information to any person specifically designated by the data subject.

(i) The organization shall clearly and conspicuously disclose to the data subject his rights to make such a request.

SAFEGUARD REQUIREMENTS FOR STATISTICAL-REPORTING AND RESEARCH SYSTEMS

SEC. 5. (a) GENERAL REQUIREMENTS.—(1) Any organization maintaining a record of personal data, which it does not maintain as part of an automated personal data system used exclusively for statistical-reporting or research, shall make no transfer of any such data to another organization without prior informed consent of the individual to whom the data pertain, if, as a consequence of the transfer, such data will become part of an automated personal data system that is not subject to these safeguard requirements or

the safeguard requirements for administrative personal data systems.

(2) Any organization maintaining an automated personal data system used exclusively for statistical-reporting or research shall—

(A) identify one person immediately responsible for the system, and make any other organizational arrangements that are necessary to assure continuing attention to the fulfillment of the safeguard requirements;

(B) take affirmative action to inform each of its employees having any responsibility or function in the design, development, operation, or maintenance of the system, or the use of any data contained therein, about all the safeguard requirements and all the rules and procedures of the organization designed to assure compliance with them;

(C) specify penalties to be applied to any employee who initiates or otherwise contributes to any disciplinary or other punitive action against any individual who brings to the attention of appropriate authorities, the press, or any member of the public, evidence of unfair personal information practice;

(D) take reasonable precautions to protect data in the system from any anticipated threats or hazards to the security of the system;

(E) make no transfer of individually identifiable personal data to another system without (i) specifying requirements for security of the data, including limitations on access thereto, and (ii) determining that the conditions of the transfer provide substantial assurance that those requirements and limitations will be observed—except in instances when each of the individuals about whom data is to be transferred has given his prior informed consent to the transfer; and

(F) have the capacity to make fully documented data readily available for independent analysis.

(b) PUBLIC NOTICE REQUIREMENT.—Any organization maintaining an automated personal data system used exclusively for statistical-reporting or research shall give public notice of the existence and character of its system once each year, in the case of Federal organizations in the Federal Register, or in the case of other organizations, in a media likely to bring attention to the existence of the records to the data subject. Any organization maintaining more than one such system shall publish annual notices for all its systems simultaneously. Any organization proposing to establish a new system, or to enlarge an existing system, shall give public notice long enough in advance of the initiation or enlargement of the system to assure individuals who may be affected by its operation a reasonable opportunity to comment. The public notice shall specify—

(1) the name of the system;

(2) the nature and purpose(s) of the system;

(3) the categories and number of persons on whom data are (to be) maintained;

(4) the categories of data (to be) maintained, indicating which categories are (to be) stored in computer-accessible files;

(5) the organization's policies and practices regarding data storage, duration of retention of data, and disposal thereof;

(6) the categories of data sources;

(7) a description of all types of use (to be) made of data, indicating those involving computer-accessible files, and including all classes of users and the organizational relationships among them;

(8) the procedures whereby an individual, group, or organization can gain access to data for independent analysis;

(9) the title, name, and address of the person immediately responsible for the system;

(10) a statement of the system's provisions for data confidentiality and the legal basis for them.

(c) RIGHTS OF INDIVIDUAL DATA SUBJECTS.—Any organization maintaining an automated personal data system used exclusively for statistical-reporting or research shall—

(1) inform an individual asked to supply personal data for the system whether he is legally required, or may refuse, to supply the data requested, and also of any specific consequences for him, which are known to the organization, of providing or not providing such data;

(2) assure that no use of individually identifiable data is made that is not within the stated purposes of the system as reasonably understood by the individual, unless, in the case of each use of such data, the informed consent of the individual has been explicitly obtained;

(3) assure that no data about an individual and made available from the system in response to a demand for data made by means of compulsory legal process, unless the individual to whom the data pertain—

(A) has been notified of the demand, and

(B) has been afforded full access to the data before they are made available in response to the demand.

ENFORCEMENT

SEC. 6. (a) INJUNCTIONS FOR COMPLIANCE.—Whenever it appears to the Attorney General of the United States that any organization has engaged, is engaged, or is about to engage in any acts or practices constituting an unfair personal information practice under this Code, he may by his own discretion bring an action, in the district court of the United States or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and showing there is or is about to be such engagement, a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Attorney General any such court may also issue injunctions commanding any organization to comply with any section of the Code. The court may grant as relief, as it deems appropriate, any permanent, or temporary injunction, temporary restraining order, or other order, at the prayer of a data subject or class of data subjects.

(b) CIVIL LIABILITY FOR UNFAIR PERSONAL INFORMATION PRACTICE.—Any organization which commits an unfair personal information practice shall be liable in an amount equal to the sum of—

(1) any actual damages sustained by the data subject(s) as a result of the unfair practice, but not less than liquidated damages of $10,000; and

(2) such amount of punitive damages as the court may allow; and

(3) in the case of any successful action to enforce any liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

(c) CRIMINAL LIABILITY FOR UNFAIR PERSONAL INFORMATION PRACTICES BY FEDERAL OFFICERS OF EMPLOYEES.—Any officer or employee of any Federal agency, the courts of the United States, the governments of the territories or possessions of the United States, or the government of the District of Columbia who willingly or knowingly permits or causes to occur an unfair personal information practice shall be fined not more than $10,000 or imprisoned not more than one year or, suspended from employment without pay for not more than one year, or all three.

(d) JURISDICTION OF COURTS; LIMITATIONS OF ACTIONS.—An action to enforce any liability created under this Code may be brought in any appropriate United States district court without regard to the amount in controversy, or in any other court or competent jurisdiction, within two years from the date on which the liability arises, except where a defendant has materially and willfully failed to comply with the safeguards under this Code, the action may be brought at any time within two years after discovery by the individual data subject.

SEVERABILITY

SEC. 7. If any provision of this Code or the application thereof to any particular circumstance or situation is held invalid, the remainder of this Code, or the application of such provision to any other circumstance or situation shall not be affected thereby.

EFFECTIVE DATE

SEC. 8. This Code shall take effect one year after the date of its enactment.

STATE LAWS

SEC. 9. (a) No State law in effect on the date of passage of this Act or which may become effective thereafter shall be superseded by any provision of this Code except insofar as such State law is in conflict with this Code.

(b) The provisions of any State law or regulation in effect upon the effective date of this Act, or which may become effective thereafter, which provide for more stringent safeguard standards than do the provisions of this Code shall not thereby be construed or held to be in conflict with this Code. The provisions of any State law or regulation in effect upon the operative date of this Act, or which become effective thereafter, which provide for safeguard standards for which no provision is contained in this Code shall not be held to be in conflict with this Code.

FEDERAL AGENCY REGULATIONS

SEC. 10. (a) Each Federal agency shall, with the advice of the Attorney General of the United States pursuant to the Administrative Procedure Act, promulgate, adopt, and from time to time amend and administer comprehensive rules and regulations necessary to further the purposes of this Act for the internal activities of such agency and in a manner consistent with the safeguards specified herein.

(b) Notwithstanding any statute or regulation to the contrary, rules and regulations issued hereunder shall govern and control the collection, security, and dissemination of all automated personal data by each Federal agency.

A HEARTY "WELL DONE" TO THE FOLKS AT LTV AEROSPACE

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

Mr. MILFORD. Mr. Speaker, I rise to commend the folks of LTV Aerospace Corp. in my district for their pride of craftsmanship which has resulted in a superior product. These folks have long taken great pride in their crafts for over half a century, yet it is hard for them to crow too much at their own accomplishments so I thought I might do a little of that for them.

I would like to take a few minutes of time and add a few points about LTV Aerospace product performance that not enough people are aware of. First, over the last 25 years on all major systems contracts, LTV has averaged within 4 percent of contract target costs Mr. Speaker, in this day of massive cost-overruns, I would like to simply repeat that statement—LTV has averaged within 4 percent of contract target cost—which is a figure well below contract ceilings. Secondly, LTV has delivered its products on time; and thirdly, they have done their job.

Mr. Speaker, I would like to read into the record the following article which emphasizes very dramatically that the LTV product does its job, and, once again, give a hearty "well done" to the folks at LTV Aerospace:

HOW THE A–7D REWROTE THE BOOK IN SEA

(By John L. Frisbee)

NOTE—In the closing weeks of the "Vietnam War USAF sent the 354th TFW and its A–7Ds to Southeast Asia. During those ten weeks, the Little Hummer flew some 4,000 sorties—interdiction, close support, SAR, escort, Linebacker II. The wing lost only two aircraft in combat ops. Its accuracy with iron bombs set a new standard for tac fighters.)

'When our flight of three A–7s got to the target area in Laos, three F–4s were working it with laser-guided bombs. They were going after a bridge and had damaged it extensively before their fuel ran low and they had to leave.

"Then the FAC put us on the bridge. One of our pilots was a first lieutenant on his second mission in SEA—the second time he had ever dropped bombs in combat. We destroyed that bridge with three bombs.

"Next, the FAC gave us a bypass bridge about 100 meters down the river. We dropped it with two bombs and went over to a ferry crossing on another river. With three bombs, we destroyed the ferry cable, the dock, and the ferry.

"'Okay,' the FAC said, 'I've got only one more bridge.' We went down to that bridge and destroyed it with three bombs. Fantastic!"

The A–7D mission that Capt. Buddy Sizemore—a pilot of the 354th Tac Fighter Wing out of Myrtle Beach AFB, S. C.—described may not have been exactly typical, but it wasn't all that untypical of the wing's experience in Southeast Asia, either. And Captain Sizemore's "Fantastic!" is the judgment of a pilot who had been there before. Earlier in the war, he flew a tour in F–4s, based at Phu Cat.

HIGH ACCURACY, LOW LOSSES

If you didn't know that USAF had an A–7D wing in SEA during the closing months of the Vietnam War, you're forgiven. Despite the remarkable record of the 354th TFW and its A–7D "Little Hummer," they got scant notice in the press. But they were there, all right.

The wing, then commanded by Col. Thomas M. Knoles, arrived at Korat Royal Thai AFB in mid-October 1972. Its seventy-two birds flew some 4,000 sorties between October 16 and the end of December, when the Linebacker II bombing campaign ended US participation in the Vietnam War. A squadron of the 354th is still there, along with one squadron from the 355th TFW, Davis-Monthan AFB, Ariz., both under Col. William D. Curry, now the 354th Wing Commander.

Although neither Guinness nor anybody else keeps record books on tactical fighter wing achievements, the 354th TFW must have set a lot of new marks. Its deployment from Myrtle Beach to Korat set the tone for the entire operation. Col. John Rhemann—then Wing Deputy for Operations and now Wing Commander Rear, back from SEA and running the show at Myrtle Beach—said, "This was one of the few times in Air Force history that a wing of fighter aircraft departed the US and arrived at its overseas destination with all aircraft on schedule."

During its ten weeks of combat in 1972, the wing—operating at a 0.87 frag rate for its seventy-two aircraft, which comes out to sixty-two sorties a day—dropped nearly 25,000 bombs, most of them Mark 82 500-pounders. According to FACs and other interested observers of bombing accuracy, they probably had an average miss distance of about ten meters.

Capt. Harry G. Rodman is a FAC who worked the 354th A–7s, mostly against interdiction targets. He's now stationed at Hurlburt Field, Fla., with the 549th Tactical Air Support Training Squadron. Captain Rodman says that the A–7D "was tremendously accurate. You could depend on the weapon system to put an iron bomb exactly where you wanted it—an unguided system that could be used with confidence against point targets. When all its systems were operating, it was nearly as accurate as guided bombs."

Against all kinds of targets—trucks, storage sites, ammunition caches—the wing averaged close to twenty-five percent secondary explosions, significantly higher by estimates of experienced pilots than normally scored by other tactical fighters.

The A–7D proved to be reliable and easy to maintain. It had a ground abort rate of 0.3 percent and an air abort rate of 0.5 percent. Tactical Air Command's "acceptable" rate is 5.0 percent.

Perhaps most remarkable of all was the A–7D's combat loss rate. The 354th was fragged against all kinds of targets in South Vietnam, Laos, and Cambodia, with emphasis on generally well-defended interdiction targets. During Linebacker II, they supplied the bulk of the daytime strike force, hitting undisclosed targets—some of them near downtown Hanoi—requiring extreme accuracy. The wing lost only two aircraft in its combat operations. One of the pilots was captured and subsequently returned when the POWs were released by North Vietnam. The other, regrettably, was killed.

THE A–7D'S SMARTS

What accounts for the 354th TFW's unprecedented accuracy in delivery unguided bombs and for its combat loss rate, which must be the lowest in the history of tactical fighter operations? Ask any A-7D pilot, and he'll tell you it was the airplane—not the pilots.

Even though fighter pilots are not noted for their modesty, we'll discount that statement. With two or three exceptions, all of the 354th pilots who flew in SEA were old hands. Most of them had at least one previous SEA tour in F-100s, F-105s, or F-4s. The same goes for the rated members of the wing staff and the squadron commanders who led missions. And they all had a good bit of A-7 time in the States. You don't write off that kind of experience as a neutral factor.

Nevertheless, a large share of the credit must go to the bird itself. Its electronic systems were described in some detail by Capt. Tom Ryan, a 354th pilot, in an article, "A-7D—That Super-Accurate SLUF," published in our March 1972 issue. The systems include forward-looking radar, Doppler, an Inertial Measurement System, and a radar altimeter. The information supplied by these systems is digested by a tactical computer and displayed on a Projected Map Display System (a map in the cockpit on which the aircraft's precise position is continuously indicated) and on a Head-Up Display (HUD) projected on the windscreen, which gives the pilot all information he needs to control the aircraft and deliver bombs or 20-mm shells on target. The systems can be used for accurate straight-and-level bombing from medium altitude, radar offset bombing, computed gunfire, and for dive-bombing—the most accurate bomb delivery mode.

One of the beautiful things about the Little Hummer's systems is the flexibility they give a pilot in his dive-bombing run. After the navigation systems have led him to the target area, all he has to do is identify the target, then, looking through the Head-Up Display on his windscreen, put the HUD's aiming symbol on the target and press a "designator" button on the stick. The computer almost instantaneously figures out the point in space where bombs must be released to hit the target. The pilot can take evasive action all the way down the chute until the aiming symbol meets the target. At that point, he levels his wings for "about three seconds," pickles the bomb, and pulls off the target. Bull's-eye or a near miss! No more worries about parameters of airspeed, dive angle, release altitude, which have always demanded so much of a pilot's attention, kept his head in the cockpit, and made him a predictable target for enemy gunners.

STAY HIGH, STAY SAFE

Except in cases where they had to go low in order to identify a target, the 354th pilots released from altitudes between 5,000 and 7,000 feet—well above the effective range of small-arms fire and most enemy AAA. So the A–7D's electronic systems in the hands of competent pilots came up with unequalled accuracy and survivability.

Here's how Lt. Col. Charlie Copin, Commander of the wing's 856th Squadron commander was to make sure that targets were hit and that the airplanes came back so they could be used again the next day. It was damned nice to be able to put a 8,000-foot-above-the-ground minimum altitude restriction on my pilots, knowing that they could hit the target without getting down in the weeds. It was the airplane, not the pilots, that allowed us to do that."

The A–7's accuracy did create an educating job for the pilots. "We had to get the FACs to not talk in general terms," Captain Sizemore said. 'They would say, Okay, fifty meters west of my smoke.' You'd drop a bomb and the FAC would say, 'Now ten meters east.' We had to tell them, 'Hey, wait a minute. I see a tree on a rocky point. Where do you want it in relation to that?' We had to educate them to use specific points."

Should the A–7 be modified to carry laser or electro-optical guided bombs? Capt. Don Cornell doesn't think so. "To be realistic, LGBs are more accurate than the A–7's iron bombs. The difference in accuracy isn't great, and it's not going to cost you as much to destroy a given target with the A–7 as with guided bombs."

Another virtue of the A–7D's systems was pointed out by Capt. Dave Sawyer. "The tac computer allows you to come in on a target from any direction, dive angle, and airspeed. With several A–7s working a target, each with different parameters, you really can keep the defenders busy. And you don't have to waste any time finding the target. All pilots know where it is from their systems. You can hit it and get out fast."

When operating on long missions, as they did in SEA, and for deployment, the A–7D's navigation system is a real boon. Captain Cornell said that occasionally, during the deployment to Korat, the KC–135s that refueled them over the Pacific would update their navigation systems from his. "I was less than a mile off course between Hawaii and Wake Island. This was entirely on the Inertial Measuring System, and without the Doppler, since we were over water."

LITTLE BIRD—LONG LEGS

Another plus for the A–7D—and for Seventh Air Force planners—was the length of the airplane's legs. Colonel Rhemann has a bunch of charts in his briefing room at Myrtle Beach AFB, centered on Korat RTAFB. They show the areas in which combat-loaded A–7Ds could operate without refueling from tankers—essentially all of Southeast Asia.

A typical configuration was for a mission with a 350-nautical-mile radius. That radius takes in all of western South Vietnam, North Vietnam to within about ninety miles of Hanoi, Cambodia, and Laos except for the extreme northern tip. Carrying two 300-gallon wing tanks, eight Mark 82 bombs, and 1,000 rounds of 20-mm ammunition, the bird had thirty minutes in the target area and 2,300 pounds of fuel reserve on return to Korat. By cutting the fuel reserve to 1,500 pounds, combat radius was increased to 480 nautical miles—well beyond Hanoi and Haiphong, without refueling.

Often a pilot was fragged against a target in southern South Vietnam, diverted to one in north Laos, and was still able to give the FAC twenty to thirty minutes in the target area without refueling. Some Linebacker II missions were flown without tanker support; on others, external tanks were left off in order

to increase the A–7's bomb load, and tankers were used.

The A–7D's range came in handy in two other missions assigned to the 354th: search and rescue (more about that later), and night escort for the AC–130 Spectre gunships. Maj. Jack Terry believes that the A–7 was the best aircraft in SEA for gunship escort "because we could stay with them so long—about an hour and a half. When escorting the Spectres, we did flak suppression on the big guns," which was never a real fun job.

Did the wing do much night work? "No," said Lt. Col. Dave Eknes, the 355th Squadron Commander. "The A–7 is well adapted to night operations because of the precision of its systems, but we were limited by the number of aircraft we had over there. They wanted us in the daytime."

SEARCH AND RESCUE

When the 354th went to SEA, they expected to be flying interdiction and close support. It turned out to be more interdiction than close support, largely because of the nature of the conflict at that time. Very few U.S. ground forces were involved, and, during late 1972, there were fewer troops in contact, so the number of true "close-support" sorties was considerably less than in previous years. Then they flew some bombing missions that could be classified as strategic during Linebacker II.

The big surprise, however, was being given the Sandy role in search and rescue (SAR) operations—locating and protecting downed airmen, covering the rescue helicopters, and coordinating action in the pickup area. That happened three weeks after their arrival at Korat, because the A–1s that had done the Sandy job throughout the Vietnam War were being turned over to the South Vietnamese Air Force.

"There was considerable skepticism about the A–7's suitability for the Sandy mission," Colonel Rhemann recalled. "We went into an extensive training program to develop new tactics. By comparison to the A–1, the A–7 is a relatively fast, high-performance aircraft. Tactics had to be changed significantly. We had a couple of pilots who had flown A–1 Sandys in SEA, and that helped.

"A week after taking over the Sandy job, our pilots participated in the pickup of two F–105 pilots near Thanh Hoa in some very marginal weather. It was a difficult mission, and, after that, there was little doubt that the A–7 was not just an adequate replacement for the A–1. It was far superior in that role."

Before the air war ended eight weeks later, 354th Sandy pilots had taken part in the rescue of twenty-two downed flyers. The "difficult mission" Colonel Rhemann spoke about was certainly among the classics of the SAR business. Here is how it went:

An F–105 Wild Weasel had been hit by a SAM in the vicinity of Thanh Hoa, on the coast, some ninety miles south of Hanoi. The Weasel crew bailed out at about 11:00 p.m., landing at the base of the first ridge line west of the city. The following day, three of the 354th Sandys went up in very bad weather and got the survivors located, part way up the ridge line, but separated from each other.

A SAR force of about seventy-five aircraft was put together late that day and during the night by the Joint Rescue Coordination Center at Tan Son Nhut Air Base, near Saigon. It included F–105 Wild Weasels to suppress the SAMs around Thanh Hoa, F–4 Wolf FACs and F–4 MIG CAP aircraft, tankers, an HC–130 Kingbird (the mission coordinator), H–53 Jolly Green rescue helicopters, A–7Ds with smoke for screening purposes, and three 354th TFW Sandys. Pickup was set for first light the following day, with takeoff for the Sandys at 0430.

Maj. Colin A. "Arnie" Clarke, who was operations officer of the 354th TFW's SAR organization, led the Sandys. He has been awarded the Air Force Cross for his part in the show.

The Sandys rendezvoused with the Jolly Greens above a solid overcast along with the Laos-North Vietnam border. While the Jollys held in orbit, Major Clarke and his wingmen worked east from the Plaine des Jarres in Laos, looking for a break in the overcast through which a chopper could let down. Approach from the Gulf of Tonkin seemed out of the question. The Thanh Hoa areas was heavily defended by anti-aircraft guns and SAMs, while just north of the town was a MIG field.

INTO THE VALLEY

Major Clarke told his wingmen to hold while he let down several times into narrow valleys, trusting to the accuracy of his Projected Map Display and radar altimeter. Each time he broke out under very low ceilings, the valley proved too narrow to turn in, and ahead the clouds closed down over rises in the ground.

Giving up on the valleys, Clarke climbed up on top, flew east, and let down over the Gulf to see if there was any way to work a Jolly through the enemy defenses along the coast. There wasn't. He did get the survivors pinpointed and marked on his Projected Map Display so both men on the ground could be found immediately on return.

Clarke now went back over the Gulf, picked up his wingmen and the smoke-carrying A–7s, and took them in to see where the survivors were. The A–7s took several .51–caliber hits. But weather in the pickup area had improved somewhat—2 50-foot ceiling with lower broken clouds, rain, and three miles' visibility. It was still too low for the supporting F–4s to use their delay-fuzed CBU antipersonnel bomblets against enemy gun positions. To the west, the only approach route for the choppers, it was still down in the valleys.

Everything pointed to an aborted mission. But Major Clarke "knew that the weather wouldn't be any better for days. The survivors couldn't last that long." Having been shot down himself on an earlier tour as an F–100 Misty FAC, he knew that it was now or never.

Going back west again, Major Clarke let down on instruments in a valley wide enough to turn in. While he orbited just above the ground, one of the Jollys did a DF letdown on him, but ran low on fuel, climbed back through the clouds, and headed for home.

The mission now was six hours old.

Two more Jollys came up from Nakhon Phanom and held while Clarke went out to a tanker for a rest and fuel. At that point, he set a pickup time for the SAR force. Going back west, he once more let down on instruments into a valley "wide enough to hold a two-G turn" and a chopper DFed down on his position—about forty-five miles west of the survivors.

Flying ahead and doing 360-degree turns to stay with the chopper, Clarke led it to near the pickup area, where he told the Jolly to hold while he went in to get the survivors alerted and suppress fire from enemy guns.

Clarke now discovered a .51-caliber gun position on the ridge, just above one survivor, who was hiding in tall brush. "A guy could have thrown a hand grenade from the gun pits onto the survivor." He and his wingmen, Captains Sawyer and Cornell, kept fire on the guns while the A–7 smoke birds laid down a screen.

By this time, there was a lot of lead flying around and a lot of chatter on the radio. The Jolly Green pilot decided to come in, unaware of the gun position close to one survivor. Miraculously, he made both pickups, then headed west, directly past the .51-gun pits.

Clarke made "a very low pass" on the guns to protect the Jolly and took a hit "by something that felt like a 57-mm." He lost all his systems and pulled up into the clouds "with what I hoped was wings level. About that time a SAM radar picked me up, and things didn't look too good." The SAM apparently didn't fire.

Clarke broke out on top, joined up with a couple of A–7s, and made an IFR landing at Da Nang, flying the wing of one A–7. Mission time: about nine hours.

The "57–mm hit" turned out to have been a .51-cal tracer that exploded one of his empty wing tanks, blowing in the side of the fuselage and bowing the underside of the wing.

That was one to remember.

MANY PLUSES—A FEW MINUSES

The 354th Tactical Fighter Wing was the first to try out the A–7D in combat. They went to Korat to fly interdiction and close support. That they did, and gunship night escort, search and rescue, helicopter escort—and Linebacker II daytime strike missions in and around Hanoi. They did a lot of things that no tactical fighters have done before, and some things that other fighters haven't done as well.

No one in the 354th bad-mouths the A–7D. Not the pilots, who came from F–100, F–105, and F–4 units. Not the ground crews or support people.

Like every airplane, the A–7D has its faults—like its ground-loving tendency on a hot, 105-degree runway with a full load—but they're few compared to its virtues. And, so far as runway length is concerned, Charlie Copin pointed out that "where you don't have to fly as far to target as we did in SEA, you can leave off the wing tanks, carry the same bomb load, and reduce take-off roll by 3,000 feet."

If they could redesign the A–7D, how would they change it? More power? Of course. Every pilot wants that in any airplane. A bigger gun? Maybe, but if you can hit a tank with bombs on the first pass, do you really need a bigger gun?

Anything else?

After a long pause, Capt. Don Cornell replied, "I guess about the only thing I'd do would be to make it a little prettier."

And that just about sums up the 354th Tactical Fighter Wing's feeling of affection for its Little Hummer.

TO NAME VETERANS' ADMINISTRATION HOSPITAL IN COLUMBIA, MO., AS THE HARRY S. TRUMAN MEMORIAL VETERANS HOSPITAL

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

Mr. HUNGATE. Mr. Speaker, I am happy to join with my distinguished Missouri colleagues today in introducing legislation to name the Veterans' Administration hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans Hospital."

We were all saddened at the loss of Missouri's President, Harry S. Truman, one of our Nation's great leaders. It is most fitting that we name the Veterans hospital in his honor for it will serve those many unheralded heroes who followed President Truman's lead and served our country so well.

I would like at this time to repeat a prayer offered at the Memorial Services for President Truman at the Washington Cathedral on January 5, 1973, offered by the Very Rev. Francis B. Sayre, Jr., Dean of the Washington Cathedral and grandson of Woodrow Wilson. This prayer holds special meaning for all Missourians and honors the many fine

men and women from the "Show-Me" State who have served our Nation well.

FOR MISSOURI

Great God whose plough is weather and whose season is Time itself, we thank Thee for the earth Thou hast fashioned in Missouri: smoothing the glacial plain with great blades of ice; irrigating the land with burnished streams and bounding it with Ozark beauty.

When Thou wast ready, Thy spirit stood by the Gate, inviting all mankind to heart of Thy goodly continent.

Bless us now as we seek to retrace the mighty sweep of Thy making; possessing our inheritance to the little step of mules, or the roar of city wheels; by the flutter of a steamer upon the river, by the sound of sweet blues upon the lips of a trumpet, or the cry of some distant train across the night.

At every turn may we find the door; beyond learning to wisdom; beyond living to Life; beyond receiving to the happier joy of giving; And so, as river threads the prairie, may our hearts be open to Thy truth and blessed independence; through Him who is Lord of all. Amen.

This hospital at Columbia, Mo., can stand as a great memorial to President Truman and those like him whose sacrifices have made our freedom possible.

PRESIDENT THOMAS E. MARTIN

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

Mr. DORN. Mr. Speaker, Thomas E. Martin, recently elected president of the American Legion Boys Nation, is an inspiration for American youth. It is encouraging and refreshing to see a young man of his principles and ideals being elected to a position of national leadership by the young leaders of our Nation.

Mr. Martin is the first black governor of South Carolina's Palmetto Boys State. He was elected governor by more than 600 young men representing virtually every high school and community in South Carolina, who met earlier this summer at the Citadel in historic Charleston. Later this summer, at American University here in Washington, Thomas Martin was elected president of Boys Nation. This is one of the highest honors that could come to a young American in our country today. He is the first South Carolinian ever elected president of Boys Nation.

Even before his election as governor of Palmetto Boys State, young Martin had compiled a splendid record of service and achievement. He has served as an advisor to Gov. John C. West on racial relations, and as as advisor to State Superintendent of Education Cyril Busbee. He has been elected president of the South Carolina Association of Student Councils and was a State winner in the Voice of Democracy Contest. Thomas Martin is the son of Mr. and Mrs. Clarence T. Martin of Route 2, Roebuck, S.C., which I am pleased to say is in the congressional district of my esteemed friend and distinguished colleague, Hon. JAMES R. MANN.

The selection of this dynamic young black leader as governor of Palmetto Boys State exemplifies what is rapidly becoming a tradition in South Carolina. This is still another indication that South Carolina is solving its problems of today and tomorrow through tolerance, brotherhood, understanding, and respect for all of our people.

Only 2 years ago Harry Walker was elected president of the University of South Carolina student body and became one of the first black student body leaders in any major university. This was followed closely by the election of Jim Clyburn, another outstanding young black leader, as president of the Young Democrats of South Carolina.

Mr. Speaker, may I take this opportunity to commend the American Legion for its sponsorship of Boys State programs throughout the Nation and Boys Nation here in Washington. This is a positive program with emphasis on learning more about government—local, State, and national. The American Legion is rendering outstanding service in preserving freedom and individual liberty through its sponsorship of Boys State and Boys Nation, Boy Scouts, essay contests, and American Legion baseball. Participation in these programs by countless thousands of our young people has strengthened respect for the flag, promoted leadership, sportsmanship, and love of country.

We are proud in South Carolina of Thomas E. Martin. The American Legion is proud to be represented by such an outstanding young American and the Nation will be proud of him as president of Boys Nation.

FURTHER LEGISLATIVE PROGRAM

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

Mr. FRENZEL. Mr. Speaker, I have taken this time to ask the distinguished majority whip about the program for tomorrow and the day following.

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

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

Mr. McFALL. Mr. Speaker, the first item of business will be H.R. 6576, the water project investigations, and the second will be H.R. 9536, the bill that prohibits blackouts of sports events that are sold out and then we will bring up H.R. 9639, the School Lunch Act amendment bill.

The school lunch bill is before the Rules Committee tomorrow, and it will be necessary either to get unanimous consent to bring the bill up, or a two-thirds vote to suspend the rules and bring it up.

I am advised by the chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS) that the gentleman wants to bring this bill up tomorrow, and that the gentleman does not anticipate that there will be objection to bringing the bill up.

Ordinarily we would not announce as a part of the program the possibility of another motion, but I understand there will possibly be an appointment of conferees on the agricultural appropriation bill, and there may be a motion to instruct or some other motion at that time.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman from California.

I would ask the gentleman from California whether it is possible that we may not work on Friday?

Mr. McFALL. If the gentleman will yield still further, if we can complete the business that I have just outlined, and I am confident that we can, then there will be no program on Friday.

Mr. FRENZEL. I thank the distinguished majority whip.

A WARRIOR PASSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, former Congressman Wesley A. D'Ewart, who represented my congressional district in this House from 1945 through 1954, died September 2, bringing an end to a very distinguished career as a Montana public figure.

Wes D'Ewart was born in Worcester, Mass., in 1889 and moved to Wilsall, Mont., in 1910, where he was employed by the Forest Service. He then became a farmer and rancher. A man of energy and conviction, he served in the State legislature, was elected to Congress in a special election in 1945 to succeed James F. O'Connor, and served as the representative of Montana's Eastern Congressional District for 10 years.

Wes D'Ewart lost his bid for the Senate when he ran against Senator James E. Murray in 1954.

One of the Montana newspapers has described Wes D'Ewart as "probalanced budget, for an invincible defense force, proagriculture and for eliminating all subversives from Government." Sometimes he has been labelled as extreme in his views, and he was. He continuously and energetically espoused his points of view from the day he entered politics until his death. In 1971, at age 81, he filed as a candidate for delegate to the Montana Constitutional Convention where, I am sure, he would have been a stout advocate of the conservative policies he consistently and vigorously defended throughout his life.

Wes D'Ewart never wavered, either as to his convictions or his energetic support and advocacy of them.

During my public life, I had many contacts with the former Congressman. As a member of the Montana State Legislature, I met him frequently in the sixties. He was in Helena as a representative of the Montana Farm Bureau. His client was vigorously represented. He was, as he always was, a very well informed and candid proponent of his convictions for honest government, for developing the West, and for a progressive water policy.

The Second Congressional District of Montana is heavily agricultural and Wes D'Ewart always took a special interest in agricultural issues. He was an early proponent of rural electrification. He was an active member of the House Interior Committee, and, as could have been anticipated, his grazing bill was one of the most controversial issues before that

committee in the years that he served on it.

After his service in the House, D'Ewart served for about 3 years in the Department of Agriculture, returning to Montana to run for the Republican gubernatorial nomination in 1960, when he was 71 years old. Eleven years later, at age 81 and still interested and active in politics, he made the race for delegate to our State Constitutional Convention.

I am sure that Wes D'Ewart's name will long be remembered in Montana, because of the issues which he involved himself. Wes D'Ewart will be remembered as a stalwart and courageous proponent of the things in which he believed, who continued to make his contribution to policy debates through all of his more than 4 score years of life.

I have always respected Wes D'Ewart. I regret his passing for we need men of his vigor on all sides of our public policy debates. He was never afraid to take a stand, and defend it once taken.

AN ADDITIONAL TAX EXEMPTION FOR CERTAIN VOLUNTEER FIREMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 5 minutes.

Mr. HOGAN. Mr. Speaker, anyone who resides in an area served by volunteer firemen knows how unselfish and courageous they are. They give their time freely and often risk their lives to protect their neighbors and their property.

The historical tradition of the volunteer firefighter includes our early leaders such as Benjamin Franklin, founder of the first colonel volunteer fire company.

I do not believe that many will dispute the importance of the volunteer firemen, but I wonder how many people recognize the fundamental difficulties our firemen must overcome.

These men are on call 24 hours a day for the purpose of protecting the property of their neighbors. They are often required to enter burning buildings and, in civil disturbances, they have sometimes been bombarded with rocks and fired upon by snipers.

If we are to encourage a high level of professional competence in our volunteer firefighters, we must do more than pat these men on the back. We must give them tangible recognition of our gratitude. I am today introducing a bill which I feel is a very appropriate way in which to indicate this gratitude and support for their efforts.

This bill would provide an additional personal exemption of $750 for volunteer firemen who have been active for a period of 15 years or longer.

I feel that a proper way to recognize their contributions would be through granting them an additional personal tax exemption as in the bill I have introduced today.

In this bill we have an opportunity to turn our words of gratitude into action. I urge that the House adopt this bill as soon as possible.

I insert the full text of this bill in the RECORD at this point:

H.R. 10210

A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption of $750 for certain volunteer firemen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) Additional Exemption for Volunteer Firemen.—

"(1) In general.—An additional exemption of $750 for the taxpayer if during all of the taxable year he has served (determined under regulations to be prescribed by the Commissioner of Internal Revenue) as a tenured member in a volunteer fire company.

"(2) Volunteer fire company defined.—For purposes of this subsection, the term 'volunteer fire company' means an organization—

"(A) organized and operated to provide a firefighting service for a community;

"(B) which meets the minimum standards for such organizations—

"(i) established by the State in which such organization provides such service; or

"(ii) to be established by such regulations as the Commissioner of Internal Revenue shall prescribe, in the case of any such organization with respect to any period during which such State did not prescribe such standards;

"(C) which makes no charge for its firefighting activities; and

"(D) which is exempt from income taxation under section 501(c)(4).

"(3) Tenured member defined.—For purposes of this subsection, the term 'tenured member' means any individual who during at least 180 months before the beginning of the taxable year has served as an active member of one or more volunteer fire companies."

SEC. 2. Section 3402(f)(1) of the Internal Revenue Code of 1954 (relating to withholding exemptions for income tax collected at source on wages) is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; am"; and

(3) by adding at the end thereof the following new subparagraph:

"(H) one additional exemption for himself if, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowed an exemption under section 151(f) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit."

SEC. 3. The amendments made by the first section of this Act shall apply only with respect to taxable years ending on or after the date of the enactment of this Act. The amendments made by section 2 shall apply only with respect to wages paid on or after the first day of the first month which begins more than ten days after the date of the enactment of this Act.

REVENUE SHARING PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WALSH) is recognized for 5 minutes.

Mr. WALSH. Mr. Speaker, the adoption of a revenue sharing program by the Congress of the United States will be hailed as a milestone in intergovernmental cooperation and relations. The Federal Government thus, for the first time becomes a contributing member to many of the mundane services the local units must provide.

One of the most important aspects of the law is the requirement in section 121 that planned and actual use reports be published in local newspapers so the public may be made aware of what their Government is doing with the funds.

There is, however, one aspect of this requirement which is creating much consternation in many small local units of government. I think the problem is best sumed up by a resolution recently adopted by the Cayuga County Association of Villages in my district, which reads:

Whereas, News releases seem to reach a greater proportion of our residents with information, and

Whereas, The law for Federal Revenue Sharing states that a "copy" of each report must be published which has been interpreted to mean the entire report including all blank spaces, and

Whereas, Most reports consist of only one or at most very few lines of information, and

Whereas, The cost of publication of the entire form is very high, and

Whereas, this is *tax* money, be it Federal Revenue Sharing Funds or local municipal funds, and

Whereas, Our taxpaying citizens are justifiably opposed to excess expenditures of public funds,

Now therefore be it hereby resolved that our Cayuga County Association of Village Officials states that it is opposed to this excessive expenditures of tax funds, and that we be permitted by the Treasury Department to publish only that information applicable to each separate municipality as a news release item.

Adopted: July 17, 1973, Cayuga County Association of Villages.

Mr. Speaker, I could not agree more with the association on this point. I am sure that the original drafters of this requirement did not intend to create such an inequity. I am equally sure, however, that the general publication requirement is a sound one.

I am, therefore, introducing legislation today that would amend section 121 to exempt any unit of local government which receives not more than $5,000 for any entitlement period from the requirement that planned and actual use reports be published in a newspaper.

What my bill will require of these governments instead, is that a copy of each report be displayed in a post office within the geographic area of that government, or if there is no such post office, at a public place within the same area.

This proposal will remove an inequity in the revenue sharing law and at the same time will maintain the integrity of this landmark legislation. I urge the support of all my colleagues for this measure.

OCCUPATIONAL HEALTH AND SAFETY ACT OF 1970

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. BEARD) is recognized for 10 minutes.

Mr. BEARD. Mr. Speaker, in one way or another most of the Members of this body have had experience with the Occupational Health and Safety Act of 1970. For many of us, the controversy gen-

erated since its enactment more than 2 years ago clearly indicates a need for reform to improve on-the-job safety for the American worker.

The vast majority of the complaints I have received of OSHA come from small employers who are unfamiliar with Federal regulation and procedures and who resent the way the act is being enforced. This sentiment reveals itself all the way from calls for modification of Labor Department implementation of the law to flagrant and outright disregard for OSHA standards. The net effect of which is to create a climate of hostility toward adequate standards of protection which many businesses have long sought to provide their employees as a matter of course. It is my firm belief that in enacting OSHA, Congress intended to get at those employers who willfully maintained practices detrimental to the welfare of their employees. The practical effect of OSHA standards has created an opponent-adversary relationship between employers and Labor Department officials.

What we must strive to achieve in reform of OSHA is a restoration of cooperation in attaining high levels of safety for employees. Certainly, the majority of American businessmen recognize that adequate and safe working environments are an important part of good employer-employee relations. In considering possible reforms, I believe Members on both sides of the aisle agree that many employers—especially small ones—have not been fairly treated by OSHA. The No. 1 complaint of business people in my State has been OSHA regulations. The sentiment was clearly reflected during last year's Senate debate on the Labor-HEW appropriations bill when several amendments exempting small businesses were offered. These were rejected, but I believe more for the fact that they do not address the root problems encountered with existing OSHA programs. To many, mere exemption of firms of certain size solves nothing and is highly discriminatory.

There is also considerable debate on whether the difficulty with OSHA is with the way it is being enforced or with unfair provisions in the law. Whatever, there is little question that the place to consider our experiences with OSHA is not on the floor of either House, but in the appropriate legislative committees of each body. Serious consideration must be given to altering the existing statute so that any changes will not diminish the high standards originally intended by Congress. The goal of OSHA is worthwhile and commendable. Certainly, a safe and healthful environment for all American workers is something we can all support. But I believe that the act, as presently written, too often resorts to a philosophy that is punitive rather than constructive in nature. Moreover, the President's 1972 report on occupational health and safety indicates that the current approach is not working. The report reveals that only 25 percent of employers inspected were found to be in compliance with the act.

The question we must then ask ourselves is why OSHA is not accomplishing its prescribed goal. I believe this results from two major causes. First, the act lacks any incentive or emphasis on assisting employers—particularly small ones—to comply with its terms. Second, because of this, employers are openly hostile toward the Department and OSHA regulations.

Let there be no mistake—I fully believe employers have had a responsibility to comply with the law and that penalties should be meted out where it is disregarded. But it is obvious that the objectives of the act cannot be achieved without cooperation by all parties. No amount of regulations, standards, or Federal inspectors to enforce them will coerce the employers of the Nation to compliance. Even if this were possible, it would be a sad day for America if we were to attempt it.

We must face the facts. OSHA has forced U.S. businessmen to react negatively to a policy—of providing a safe and quality work environment—which they under previous circumstances have considered to be an important element in productivity and positive worker relations. In this regard, OSHA enforcement has been counterproductive in attaining its stated goal. Moreover, we must accept that employers—especially small ones—require assistance in understanding and complying with the complex and all too often monolithic standards of the OSHA.

For these reasons, I am today offering legislation which will bring about a more constructive and positive atmosphere toward OSHA practices without in any way jeopardizing the safety or health of the American worker.

The bill I am proposing seeks to restore the proper attitude of employers to offer workers an occupational environment which does not impinge on their well-being. None of the provisions of my bill would reduce standards of coverage, but only address flagrant abuses of bureaucratic power which have limited the effectiveness of what Congress intended in 1970. Rather than attempt to exempt some from coverage, I have undertaken a reform which will continue protection for all and improve the method of achieving that protection. At the same time, I fully expect that my bill if enacted will result in increasing such protections set out by the act.

By way of explanation of the reforms prescribed by my legislation, I offer the following section-by-section analysis which I hope my colleagues will find helpful:

SECTION-BY-SECTION ANALYSIS

EXPLANATION OF SECTION 2(a)

Many of the standards in effect do not materially affect worker safety or health, yet are extremely costly to the employer. This amendment would not dictate that the Secretary could not continue to promulgate these regulations which afford minimal worker protection regardless of cost; however, it would force the Labor Department to openly recognize the cost-benefit ratio and, more importantly, would also provide employers with some of the information necessary to make a reasoned judgment as to whether or not they should contest the standard itself in the courts under Section 6(f) of the Act.

Additionally, this proposal would require the Secretary to ascertain which industries were directly affected by the proposed rule (in order to compute cost) and would therefore directly assist the Secretary in any attempts to promulgate standards on a vertical industry basis as opposed to the "across the board" coverage found in most standards in effect.

EXPLANATION OF SECTION 2(b)

This section would establish "grandfather clauses" for equipment and facilities which are often expensive to phase out and yet do not represent dangers of any magnitude to employees. Legislation that has severe financial impact often has reasonable delay dates in its implementation; however, the safety law had only brief delays for the legislation itself and in most cases, only an additional short delay for educational purposes where the regulations affected capital investments.

A review of testimony offered in support of the bill as originally passed shows that the necessity to pass this law was based on employee exposure to what are considered "serious violations". The suggested amendment would not delay the implemenation of the law in favor of capital investments where those types of violations were concerned.

EXPLANATION OF SECTION 2(c)

This change suggests that once the objective criteria regarding employee health is determined by the Secretary, the employer would determine within the scope of available options which ones he would employ to protect the employees. For instance, a paint spray booth, under the regulations, might have to be ventilated with exhaust fans when in use, although not any one employee would spend more than one hour in the area. Requiring this expensive ventilation equipment (plus the anti-pollution equipment which might be required due to EPA regulations) would not seem practicable when the use of respirators would protect the employee just as well, assuming that use of the respirator did not represent a separate health hazard.

The noise problem is also indicative of the unjustified impact of restricting an employer to certain methods of abatement. Requiring engineering controls to be used before the employer is allowed to employ personal protective devices (ear plugs or muffs) is far less practicable and affords no more safety to the employee. This inequity is magnified when one considers that after employing these controls the problem may only be partially abated and the employer would have to go to personal protection anyway as a last resort.

EXPLANATION OF SECTION 2(d)

The suggested amendment would make two changes to the existing law regarding emergency standards.

The first change would afford those employers and employees affected a short period of time, i.e., 30 days after the standard has been published to find alternate methods for dealing with the hazardous agent or finding a substitute without forcing temporary shutdowns of affected operations.

Additionally, emergency standard making which is without the protections of the Administrative Procedures Act, would only be employed where there was clear evidence of such a need.

EXPLANATION OF SECTION 3(a)

The change to Section 8 of the Act would give the employer an opportunity to have a qualified safety professional at the facility during the time of inspection so that any tests to be made could be monitored by the employer. In many instances, especially tests of the environment, this opportunity to be sure the inspection is being properly conducted is necessary in order to provide an effective defense to the Department's charges should a contest be undertaken by the employer. Under the present law it is conceivable that although a test was made improperly, the employer, not having a professional at the scene, would not know whether

the results were accurate, and might thereby agree to paying a fine which should not have been proposed in the first instance.

The fear that employers would use this opportunity of advance notice to correct violations is overstated and, in any event, could be met by issuing citations for violations that have been evaded under Section 9(c) of the law, with the compliance officer being informed of these "quickie" abatements during the walk-around.

It should also be noted that employers who would be intent on taking advantage of this advance notice can presently refuse admission to their plants without penalty. The Labor Department's internal procedures contemplate that in such a situation a court order be sought to obtain entry; however, there is not any penalty to the employer for forcing this action. The net result would be to provide the business with 24–48 hours advance notice of the second inspection.

EXPLANATION OF SECTION 4(a)

This amendment would require the Department of Labor to *suggest* a course of action which would correct the cited violation. This would, in effect, provide a small, yet oftentimes necessary, insight into what the Labor Department will accept as reasonable abatement of the violating condition, although it would not bind the employer to use that course of action to the exclusion of any others he may feel are more suitable in correcting the condition.

EXPLANATION OF SECTION 4(b)

This amendment would change the Department's regulation 1903.16(b). The language would afford employees with reasonable notice if a contest was being undertaken by the employer of the Secretary's citation, penalty, or abatement period, and would also remove from the regulations the unnecessary and punitive requirement that the employer post the citation after the violation is abated.

EXPLANATION OF SECTION 4(d)

This new Section 9(b) would cover those situations where standards are in effect to cover a contemplated hazard that does not exist in some facilities. By giving the employer the right to show the standard need not apply to his workplace, much of the harm that has resulted from implementing broad horizontal standards could be alleviated. Additionally, this new Section 9(b) would allow an employer to protect his employees with alternative safety measures other than those contemplated by the standard. The present law rarely provides for performance standards as opposed to specification standards. This results in requiring employers to protect employees only as the regulations suggest, although there may be less costly and just as effective methods of meeting the problem.

There is a procedure in Section 6(d) of the Act for obtaining Labor Department approval of alternative methods through a permanent variance; however, it is a cumbersome and time-consuming approach for the employer and would probably involve substantial aggregate legal costs to small employers who do not have the expertise or the in-house manpower to file petitions. In any event, once cited for a violation of a standard the burden should be on the Secretary to show that there was in fact an unsafe condition.

The change would also recognize that the Congress does not intend to hold the employer to a test of strict liability whenever a violation occurred. Although the Review Commission has recognized in several cases that the employer cannot absolutely insure employee compliance the Labor Department continues to cite for violations created by employees against express instructions.

EXPLANATION OF SECTION 4(e)

This change is intended to restate the Congressional directive in Section 8 that citations would *only* be issued after an inspector had formally established his presence at the worksite and that inspections were to be conducted with walkaround rights afforded to both employers and employees. There have been several cases where this directive of the Congress has been ignored by the Secretary.

EXPLANATION OF SECTION 5(a)

This section would change the period of time in which an employer must decide upon whether or not to contest a citation from 15 working days to 30 working days. The 15 day period is far too short and inconsistent with most other laws affording due process in the appellate area. The change would also work to relieve employers, the Labor Department, and the Review Commission of the unnecessary appeals which are filed quickly because there is insufficient time to consider the merit of the citation and penalty.

EXPLANATION OF SECTION 5(b)

This change would further amend Section 10(c) of the law by indicating that the Review Commission was in the position of upholding, reducing, or dismissing penalties proposed by the Department. In approximately 10% of the cases that have gone to a full hearing the word "modifying" has been taken to mean by the Commission that they had the authority to raise penalties which were being contested by the employer.

The Commission was established to afford "relief" to employers appealing orders of the Secretary where they thought the penalty was too high. Subjecting employers to the possibility of a higher fine after a hearing is not only contrary to the intent of Congress but has a chilling effect on exercising the right of appeal.

EXPLANATION OF SECTION 5(c)

The law is unclear in 10(c) as to who hears appeals for extensions of abatement periods. The change would validate the existing practice of having the Commission rule on these appeals.

EXPLANATION OF SECTION 5(d)

This change would guarantee employers who have appealed orders of the Secretary the right to withdraw from the case at any time prior to their hearing without subjecting themselves to any conditions except to do exactly what he would have had to do if he had not asserted his right to a hearing. A paper-pushing practice has mushroomed at the Commission which makes it difficult for anyone to withdraw from a case unless he has the services of a lawyer. No one should be penalized simply beacuse he availed himself of his constitutional right to a hearing nor be subjected to a maze of Government red tape for no apparent reason.

EXPLANATION OF SECTION 5(e)

Section 11(a) of the Act would be changed to continue the stay of the Secretary's order if affirmed by the Commission or grant a stay of the Commission's decision if the employer appeals to the appropriate Court of Appeals. The Court has discretionary power to grant relief in this manner; however, there is not any provision for staying the order of the Review Commission until at least the employer is informed of whether or not the court shall exercise their discretion and grant a continuing stay until resolved by the judiciary. The law as passed has a chilling effect on the employer's right of appeal as penalties for failing to abate past the date of the Review Commission's decision could result in fines as high as $1,000 per day.

EXPLANATION OF SECTION 6

Removal of Section 17(c) of the law would, in effect, remove the Department's authority to penalize employers for violations considered to be nonserious upon a first inspection. It is these non-serious violations which result in relatively minor penalties that have contributed substantially to the outrage of employers. Businesses are being fined for relatively insignificant violations without having been informed of some of the requirements of the standards and although the right to appeal is present, it is far more expensive to contest than to pay the penalty proposed by the Department of Labor.

EXPLANATION OF SECTION 7

Section 18 of the Act is designed to allow states the opportunity to enforce safety and health laws within their jurisdiction if they are at least as effective as the federal Act. Although business fought hard for this language, a major shift in sentiment has occurred due to many states favoring more restrictive safety standards than the Federal Government and for enforcement procedures less acceptable than those found in the Act. The Federal Government has encouraged this by requiring either tougher standards or those nearly identical to the federal Act.

The suggested amendment would remove both of those possibilities leaving the concept of local enforcement intact.

EXPLANATION OF SECTION 8

The suggested language would specifically direct the Secretary of Labor to provide onsite consultation to employers without the authority to issue citations for violations found on these employer initiated visits. The amendment would not affect the Secretary's right to seek injunctions for hazardous conditions representing "imminent dangers." The Secretary is also required to suggest methods of eliminating any hazards disclosed to the employer.

Failure of the Secretary to disclose violations on this consultative visit would not preclude the issuance of citations on a subsequent Section 8 inspection. Such failure, however, coupled with the employer's request for consultation, should be of significant value on appeal based on a "good faith" argument as provided under Section 17(j) of the Act.

Mr. Speaker, it is my hope that this body will recognize the need for this comprehensive reform. I agree completely with the designers of the 1970 Act in their intent. Now, that we have had 2 years to examine its application and effectiveness, we should not presume this statute to be perfect but strive to make improvements necessary to make it work better.

I include the text of my proposed legislation in the RECORD:

H.R. 10200

A bill to amend the Occupational Safety and Health Act of 1970 and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Act Amendments of 1973."

SEC. 2. (a) Section 6(b)(2) of the Occupational Safety and Health Act of 1970 is amended by inserting at the end thereof the following: "The Secretary shall not propose any rule promulgating a new occupational health or safety standard before he (A) has, as part of each such proposal, reviewed and published in the Federal Register the financial impact of such proposed standard and (B) has determined with due regard for that impact that the benefit to be derived from such standard justifies such proposal."

(b) Section 6(b)(4) of such Act is amended by inserting "(A)" immediately after the paragraph designation and adding a new subparagraph as follows:

"(B) No standard adopted or promulgated under this paragraph shall require any employer to phase out, change, or replace existing equipment or facilities before the normal useful life of that equipment or facility has expired unless failure to so phase out, change, or replace that equipment or

facility prematurely would result in a serious violation as defined in section 17(k)."

(c) Section 6(b)(7) of such Act is amended by inserting after the second sentence thereof the following:

"Protective equipment and control or technological procedures other than those prescribed by such standard may be utilized by the employer where (a) such other equipment and control or technological procedures will afford adequate protection to employees and (b) the use of such other equipment and control or technological procedures does not create a new hazard to the health and safety of the employees affected."

(d) Section 6(c)(1) of such Act is amended to read as follows:

"(c)(1) The Secretary shall provide, without regard to the requirements of chapter 5, title 5, United States Code, for an emergency standard to take effect 30 days after publication in the Federal Register if he determines (A) that there is clear and recognized evidence of employees being exposed to serious danger from exposure to substances or agents determined to be toxic or physically harmful or from new hazards, and (B) that such emergency standards is necessary to protect employees from such danger."

SEC. 3. (a) Section 8 of such Act is amended by redesignating subsections (b) through (g) as subsections (c) through (h), respectively, and by inserting after subsection (a) thereof the following:

"(b) The Secretary shall provide reasonable advance notice to the employer to be inspected that an inspection will be made where (1) such notice would afford the employer an opportunity to have qualified management personnel or consultants present during the inspection and (2) where the Secretary has determined that such notice would not unreasonably hamper or defeat the purposes of this Act."

(b) Section 2(b)(10) of such Act is amended to read as follows:

"(10) by providing an effective enforcement program;"

SEC. 4. (a) The first sentence of section 9(a) of such Act is amended by inserting before the period the following: ", and shall stipulate with particularity a suggested course or courses of action which if implemented would correct the violating condition or process".

(b) Section 9 of such Act is amended by redesignating subsections (b) and (c) thereof as subsections (c) and (d), respectively, by adding at the end of subsection (c) as redesignated the following: "Such posting shall not be required after (1) the date on which the violation is abated, or (2) 30 days after the employer has filed a notice contesting any action of the Secretary as provided in section 10(c), whichever occurs later.", and by inserting after section (a) thereof the following:

"(b) Any employer inspected under section 8 who has been found to be not in compliance with any rule or standard adopted or promulgated under sections 6(a), (b), or (c) shall not receive a citation or penalty for such violation if he is able to show (1) that implementing such rule or standard would not materially affect the safety or health of his employees in the facility inspected, (2) that he has employed alternative procedures to protect his employees from the hazards contemplated by the rule or standard which are as effective in protecting the safety and health of his employees, or (3) that he has furnished adequate notice and exerted all reasonable efforts, pursuant to such regulations as the Secretary may prescribe, to obtain the compliance of his employees, that such violation was attributable to such employees, and that he could not otherwise have reasonably prevented such violation."

(c) Section 9 of such Act is amended by adding at the end thereof the following new subsection:

"(e) A citation which is not issued in accordance with the provisions of sections 8(a) and 8(e) shall be of no force or effect."

SEC. 5. (a) Section 10 of such Act is amended by deleting the term "fifteen working days" wherever it occurs and inserting in lieu thereof the term "thirty working days".

(b) Section 10(c) of such Act is amended—

(1) by striking out the word "modifying" and inserting in lieu thereof "reducing",

(2) by striking out the word "Secretary" in the third sentence and inserting in lieu thereof "Commission", and

(3) by adding at the end thereof the following: "Any employer who has notified the Commission that he intends to contest a citation issued under section 9(a) or a notification issued under subsection (a) or (b) of this section may withdraw such notice at any time prior to the conclusion of a hearing thereon and the citation and assessment, as proposed, shall be deemed a final order of the Commission and not subject to review by any court or agency."

(c) Section 11(a) of such Act is amended by striking out "not, unless ordered by the court," in the fourth sentence thereof.

SEC. 6. Section 17 of such Act is amended by striking out subsection (c) and redesignating subsections (d) through (l) as subsections (c) through (k), respectively.

SEC. 7. Section 18(c)(2) of such Act is amended by striking out "at least as effective" and inserting in lieu thereof "identical".

SEC. 8. Section 21 of such Act is amended by changing the heading thereof to read as follows:

"Training, Education, and Technical Assistance" and by adding at the end thereof the following new subsection:

"(d)(1) In order to further carry out his responsibilities under this section, the Secretary shall visit the workplaces of employers for the purpose of affording consultation and advice to such employers. Such visits (A) may be conducted only upon a valid request by an employer for consultation and advice at the workplace on the interpretation or applicability of standards or on possible alternative ways of complying with applicable standards, and (B) shall be limited to the matters specified in the request affecting conditions, structures, machines, apparatuses, devices, equipment, or materials in the workplace. Where, after evaluating a request by an employer pursuant to this subsection, the Secretary determines that an alternative means of affording consultation and advice is more appropriate and equally effective, he may provide for such alternative means rather than onsite consultation.

"(2) The Secretary shall make recommendations regarding the elimination of any hazards disclosed within the scope of the onsite consultation. No visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no notices or citations shall be issued nor shall any civil penalties be proposed by the Secretary upon such visit, except that nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers.

"(3) Nothing in this subsection shall be deemed to require the Secretary to conduct an inspection under section 8 of the Act of any workplace which has been visited for consultative purposes. The failure of the Secretary to give consultation and advice regarding any specific matter during a consultation visit shall not preclude the issuance of appropriate citations and proposed penalties with respect to that matter.

"(4) In prescribing rules and regulations pursuant to this subsection, the Secretary shall provide for the appropriate separation of functions between officers, employees, or agents who conduct visits pursuant to this subsection and officers, employees, or agents who conduct inspections or investigations under this Act."

SEC. 9. This Act shall take effect sixty days after the date of its enactment.

ON UNITED STATES POLICY TOWARD CHILE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 30 minutes.

Mr. HARRINGTON. Mr. Speaker, yesterday, Salvador Allende's government was removed by a coup d'etat. Fighting has been reported in the streets of Santiago as the military moved to take over the reins of government, imposing martial law on the nation as their first act. While many factors contributed to Allende's downfall, I believe that it is important to recognize that part of what was and is ailing Chile is the United States policy toward the Allende government since its election in 1970. We have interfered in every way possible with the internal affairs of Chile, in an attempt to undermine, discredit, and ultimately topple the democratically elected government of that nation. We have maintained a hard line, rejecting out of hand the socialist government regardless of its legitimacy in the eyes of its own people, and we have acted solely to protect American business interests, without regard to the effects of such a policy on our relations with Latin America and the rest of the Third World. The establishment of a military regime in Chile is not in the best interests of the United States. While we did not directly encourage its establishment and are not entirely responsible for it, we must recognize that we have placed tremendous stress on Chilean society by our actions, and contributed to the disruption which climaxed in Allende's ouster.

It is worth noting, in addition, that while we shut Chile off from our economic resources, we continued to approve arms sales to that country, and provide them with about $10 million in military aid. We should not be surprised that with such a misallocation of resources, the army is stronger than the government proper. I intend to ask that the appropriate committees of both Houses of Congress investigate the abuses which I will document, and the role of the United States in the fall of Allende's government.

The highest councils of this administration have directed diplomatic slights and rhetorical threats at the Chilean Government. Even prior to the 1970 election, the administration commented that Allende's election would lead to "some sort of Communist regime and create massive problems for the United States and for democratic forces in the hemisphere." With this outmoded cold war response, the U.S. Government proceeded to systematically cut off Chile from the resources of more developed nations and to attempt to isolate it from its Latin American neighbors. This has indeed created "massive problems for the United States"—but ones which are a result of our shortsighted and destructive policy.

A recounting of the actions taken by the U.S. Government with regard to

Chile draws a clear picture of the abuses of power by this Nation and demonstrates a total disregard for the sovereignty of other nations.

From the first, President Nixon made no particular secret of his disapproval of the government that the Chileans had chosen for themselves. He omitted sending the traditional congratulatory telegram to Mr. Allende on his election. The diplomatic slights continued when in 1971 the administration rejected an invitation to send a carrier to pay a courtesy call at the port of Santiago, an invitation which had been accepted as a matter of course by Admiral Elmo Zumwalt. Our refusal was taken, as intended, as a slap in the face to Allende.

United States-Chilean tensions were increased when Director of Communications Herb Klein commented to the White House press corps that he had obtained the "feeling" that the Allende government "would not last long." He made this comment following what might be ironically called a goodwill tour of Latin America with Robert Finch. The Chilean response to this gratuitous comment seemed apt—that it "implied grave foreign intervention" in Chilean affairs by a nation which had proclaimed its desire for friendship with the Chilean Government.

While we have indicated in various diplomatic ways that we are cool to the Allende government, it is our economic actions which tell the real story. Pressure of the sort that we have placed on Chile's already weak and endangered economy was intended to disrupt its society, and we can see in the present state of affairs how well it has succeeded.

Funds from the Agency for International Development have not been requested for Chile by the administration since Allende's election. In light of the fact that our diplomatic relations are technically normal, this is a highly unusual step. Although Public Law 480 and other government-to-government programs continue to operate we, have cut the heart from the foreign aid program in an attempt to starve the nation into submission.

The case of collusion between the CIA and the International Telephone and Telegraph Co. in attempting to prevent Allende from assuming power is still under investigation. The New York Times' publication of an 18-point memorandum from ITT to U.S. Government officials of strategy to bring about the fall of Allende within the first 6 months of his administration indicates how carefully such intervention was considered. It is important to realize that, while this case is extreme, economic intervention of a more subtle nature is quite consistent with U.S. policy.

The prime bone of contention has been Chile's decision to expropriate holdings of American companies. American corporations have long been involved in the development of Chile's resources for corporate benefit but have failed to pass those benefits along to the Chilean people. Since 1953, U.S. corporations have earned more than $1 billion through their development of Chile's resources, but have invested only $71 million. Foreign capital appropriates Chile's wealth and returns very little to the Chileans. Chile's nationalization of basic resources represents an attempt to increase its economic independence. Nationalization is legal under a Chilean constitutional amendment, and even American policy recognizes the right of a nation to nationalize industries concerned with basic resources. However, the U.S. responded to the Chilean expropriation in the narrowest possible way, by moving to protect business.

The Overseas Private Investment Corporation has refused to extend insurance to the companies which decide to invest in Chile, assuring that no new foreign capital will come into Chile to help with payment of outstanding debts. The Export-Import Bank's Foreign Credit Insurance Association has refused to extend political risk insurance for Chilean investment. Further, other complaints against Chile by ExIm bank regarding debts make reopening of insurance for Chile contingent on the settlement of debt renegotiation—which, according to an Ex-Im spokesman, is "not on the immediate agenda." Negotations on both expropriation and debts are stalemated by the hard line taken by both sides. It would have been in the interest of American foreign policy objectives to reconsider the hard line and salvage our relations with one of the few democratically elected governments in the hemisphere, but we have held to our position and exerted economic pressure in an attempt to convince Chile of the error of its ways.

Reprisals against Chile took many forms. First, the Export-Import Bank of the United States refused Chile's request for financing for the purchase of commercial jets, preventing the modernization of Chile's commercial air service. The U.S. Government shortly after declared Chile in default on debt payments to AID, Ex-Im Bank, and the Department of Agriculture when Chile suspended payments on its debt pending renegotiation. Although Chile clearly intended to keep its debt obligations, the temporary suspension was the excuse the United States was looking for to close Chile off financially and to push its economy further into disarray. Although Chile had been deeply in debt under President Eduardo Frei, requests for rescheduling had been considered sympathetically. Cutting off all the future loans in this way tightens the vicious circle in which Chile with U.S. help finds itself: foreign capital reserves are running out, making repayment impossible; foreign capital is not forthcoming because the possibility of investment is eliminated without insurance. The question of loans and development grants to Chile has become a touchy one in the international finance community. Ex-Im Bank, as I said, does not consider debt renegotiation a priority, letting Chile strangle in ropes of the U.S. making. The World Bank has not extended any loans to Chile since 1970—hardly a coincidence—and the loans to be considered this year will have the opposition of the United States due to our tough expropriation policy. The executive directors of the International Monetary Fund and the Inter-American Development Bank are directly responsible to the Secretary of the Treasury of the United States, effectively depriving Chile of any aid which might be forthcoming from the organizations. In fighting for U.S. business interests, we have used even international agencies, which were not intended to be tools of American decisions and mistakes—to punish Chile, and as a result have wrecked the economy of the nation.

Clearly our policy is a coherent one. We have tried through the example of Chile to kill economic nationalism and socialism in Latin America. The administration's ties to the business community do not justify intervention of this magnitude in Chile's internal affairs in an attempt to destroy its economy and government for the benefit of multinational corporations. We have business interests and outworn ideology replace realism in our foreign policy toward Chile. Despite our ability to deal with the Governments of China and the Soviet Union, despite our avowed policy of accepting governments as they are we have found ourselves unable to deal with a democratically elected socialist government in our hemisphere. We have helped to destroy its government and our relations with all of Latin America.

I hope the Chile policy, one of intervention in internal affairs for the purpose of destroying of government which does not meet with our approval does not prove a harbinger of future policies toward nations which experiment with democratic socialism. If it does, the consequences to the prestige of the United States will be damaging, and we will find ourselves, rather than our opponents, isolated in this hemisphere.

U.S. TROOP LEVELS IN EUROPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 15 minutes.

Mr. HAMILTON. Mr. Speaker, one of the distinctive features of the 93d Congress is the increasing attention the Congress has paid to the size, purpose, and cost of U.S. troop levels abroad.

There is broad agreement that reductions can be made in the over 600,000 American troops overseas. There is less of a consensus on U.S. troop levels in Europe. The question often arises, "Why should over 300,000 American troops be in Europe 28 years after World War II?" These forces cost the United States directly about $7 billion each year to maintain, and are responsible for about $2 billion of the American balance-of-payments deficit.

Despite these costs, I do not feel we should apply unilateral cuts to our forces in Western Europe at this time.

This is not to say that reductions in our troops levels elsewhere are not warranted, or that improvements in our defense posture in Europe are not needed. Indeed, we should take every necessary step to improve the ratio of combat to support troops, insure that combat troops are in the most effective locations, and avoid the placement of tactical nuclear weapons where detonation or capture by the enemy are the only options available.

While I support mutual and balanced

force reductions in Europe, I am opposed to the unilateral reduction of American troop levels there for several compelling reasons.

VITAL TO U.S. SECURITY

The most important reason for my opposing such troop cuts is that they could jeopardize our own security. The independence and security of Europe is vital to the security of the United States and Europe's security is, in turn, dependent upon a credible deterrent and defense against attack. A reliable defense posture would be undermined by unilateral U.S. troop cuts, especially when we are about to negotiate mutual reductions with the Soviet Union and Warsaw Pact nations.

The importance of Europe to our national security is demonstrated by the fact that we have felt twice in this century that we should involve ourselves in world wars in order to help insure the survival of nations friendly to us in Western Europe. We do not maintain troops there now without good reason: they are there for our own protection, not just that of the Europeans. NATO Europe, with its industrial, economic, technological and military strength and potential is second only to the United States in strategic importance to the non-Communist world.

MAINTENANCE OF DÉTENTE

Unilateral troop cuts would also adversely affect the atmosphere of détente that has characterized East-West relations in recent years.

The changing political environment owes a good deal to the stability that the present European security system has provided. The NATO alliance and the substantial American military presence in Europe have permitted Western European states to stabilize themselves and pursue novel forms of cooperation with reduced risks of external interference. Chancellor Brandt's Ostpolitik is a case in point.

The military balance that the United States has helped to maintain in Europe is really the foundation for the era of negotiation that we are now in. It has allowed for diplomatic manuvering room and a willingness to pursue bilateral and multilateral talks—such as the Conference on Security and Cooperation in Europe and SALT II—on a wide range of issues. Any unilateral troop cuts on our part would substantially dampen the atmosphere surrounding these talks and inhibit their progress. Simple prudence dictates that a military balance that has kept the European peace for so long and now serves to underpin negotiations should not be cast lightly to the winds.

UNDERMINE MUTUAL FORCE REDUCTIONS

The talks on mutual force reductions scheduled to begin October 30 are one example of the negotiations that have accompanied a reduction in East-West tensions, and they would be directly and adversely affected by any unilateral troops cuts on our part.

Why should the Soviet Union agree to pursue mutual troop reductions when it can sit back and watch us reduce ours unilaterally? There would be no incentive for the Soviet Union to seriously negotiate when it could get something for nothing. We would have already given away our bargaining tool and have a substantially weakened position at the negotiating table.

A unilateral withdrawal would be all the more unfortunate now because of the nuclear parity between the United States and the Soviet Union, a parity that places a higher value on NATO's conventional military capabilities. While assessments of the comparative nonnuclear military strengths of NATO and the Warsaw Pact vary, most observers feel that NATO has a quantitative disadvantage but a qualitative advantage. A unilateral American withdrawal would further add to the quantitative imbalance and even jeopardize the maintenance of high-quality forces, since the United States would presumably take some of its advanced equipment out also. Thus, any subsequent, negotiated mutual reduction in forces would be to the disadvantage of the West, which could, for that reason, have less interest in MBFR talks, period.

Additionally, the MBFR talks have been in the making for nearly a decade and have been preceded by lengthy and delicate diplomatic discussions on procedural matters. Unilateral action on our part would throw the results of this sensitive multilateral groundlaying into a cocked hat, and quite possibly negate or indefinitely postpone any chances for meaningful, reciprocal reductions, leaving Europe to pick up the prices.

ADVERSE EFFECTS ON ALLIES

Our NATO allies are watching our domestic debate on troop reductions quite attentively, and they are quite concerned that a reduction on our part would actually occur. The impact of a unilateral reduction on our allies would be devastating to the solidarity of the NATO alliance, for several reasons.

First. A U.S. troop reduction would prompt Europeans to view us as growing increasingly isolationist and less interested in maintaining our commitment to defend them. Militarily, the alternative to a strong NATO conventional capability is apt to be earlier recourse to nuclear weapons—a quantum jump in weaponry and one that scares the Europeans since these weapons would be used on their own soil. In the absence of NATO conventional forces adequate to do the job, an enemy—as well as our allies—might calculate that the United States, loath to respond to an attack with nuclear weapons, and lacking conventional forces on the scene, might be muscle-bound and unable to respond at all.

Second. A U.S. reduction at this time could also prompt domestic political pressures on Western European governments to make unilateral reductions of their own. The entire fabric of our common decisionmaking could be torn apart and our common defense posture seriously damaged. These developments would be ill-timed, since the Europeans are making substantial efforts, as they should be, to increase their military contributions to NATO as well as to find additional ways of reducing the financial burden borne by the United States because of our troop commitment. Though the United States is still paying more than its "fair share" of NATO expenses, according to the Secretary of Defense, encouragement can be taken from the fact that our allies now provide 90 percent of NATO ground forces, 80 percent of the air strength, and 75 percent of the naval forces.

Third. The "Eurogroup" within NATO would be affected adversely by the repercussions of a U.S. withdrawal. This body has established its own task forces which are working toward such goals as equipment standardization, joint training programs and other measures to reduce duplication of defense efforts. These attempts at allied coordination could be shattered by a sudden unilateral withdrawal on our part.

Fourth. Finally, a U.S. troop reduction would lead to a loss of U.S. influence in Europe and could prompt an increase in Russian influence. It should be remembered that, while the threat of Soviet attack on Western Europe may have declined during recent years, the Soviet Union is still interested in establishing its political and economic influence in that region. Since the Soviet Union is much more powerful than any single European nation, we could very well see a repeat of the Finlandization process. George Ball touched on this possibility when he noted in a recent article that:

> It is possible that NATO's conventional forces could be reduced further without tempting the Soviet Union into the military adventures. But the real question centers on the degree of inferiority that would still constitute sufficiency in the all-important psychological balance. At what point would West Europeans cease feeling reasonably safe? When might some of the more exposed countries begin to adapt their policies to the assumption that their security depends more on Soviet good will than on American guarantees? The answers to these questions depend on a subjective sense of adequacy—which in turn depends heavily on the presence of the U.S. . . .

CONCLUSION

Mr. Speaker, I have given a very brief rundown of some of the repercussions of a unilateral U.S. troop reduction in Europe. I have raised these matters because they should be on the minds of my colleagues when we consider troop levels overseas. Just as the NATO policy of strength is succeeding is not the appropriate time to junk it. The entire atmosphere of détente that has characterized East-West relations in recent years could be jeopardized.

THOMAS R. AMLIE, 1897–1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, it is my sad duty to inform the House of the recent passing of a former member, Thomas Ryum Amlie, of Wisconsin.

Tom Amlie was first elected to the House as a Republican from Wisconsin's First District to fill a vacancy in the 72d Congress—October 13, 1931, to March 3, 1933. He subsequently won election from the First District as a Progressive in the 74th and 75th Congresses—January 3, 1935, to January 3, 1939. During this period, Tom Amlie was part of a vibrant group of House Progressives that included such outstanding figures as Maury Maverick of Texas, Gerald Boileau of Wisconsin, Earnest Lundeen of Minnesota, and Usher Burdick of North Dakota. Tom Amlie was one of the best voices of intellectual progressivism in national politics and he participated in many of the key legislative proposals that helped shape Franklin D. Roosevelt's New Deal. Declining to seek reelection to the House in 1938, Tom Amlie left Washington and moved to Madison, Wis., where he resumed the practice of law and maintained an active interest in politics and national affairs.

Both in the Congress and in private life, Tom Amlie was a leader in the cause of social and economic justice for all Americans. He also was dedicated to the cause of world peace. As a constituent of mine, I always welcomed and valued having his wise counsel.

I extend my condolences to his wife, Gehrta, and his children, and I am certain that those who knew Tom Amlie will mourn the passing of this most distinguished American.

Mr. Speaker, I would like to include an editorial from the August 24, 1973, Madison, Wis., Capital Times eulogizing the late Tom Amlie.

TRIBUTE TO TOM AMLIE

A lengthy illness, that extended over several years, has finally claimed the life of Thomas R. Amlie, former Wisconsin Progressive party leader who served three distinguished terms in the U.S. House of Representatives in the 1930s.

From the day when Tom Amlie came off a North Dakota farm to earn a law degree at the University of Wisconsin, he was a crusader for liberal causes. Mr. Amlie has not been in the public eye for more than a decade but the contributions to his country as one of the progressives in Washington who pushed through Franklin Roosevelt's New Deal has earned him the gratitude of the public.

Mr. Amlie's liberalism also earned him some powerful enemies, who were able to deny him a post on the U.S. Interstate Commerce Commission, when Roosevelt sent his name up to the Senate in 1939.

Mr. Amlie was a key figure in the formation in Fond du Lac in 1934 of the old Progressive party and played a major role in the party until its dissolution in 1946 at Portage.

Until illness sapped his strength he was a persuasive contributor to the Voice of the People always in behalf of liberal causes. Wisconsin owes him a debt of gratitude.

BIG BUSINESS VERSUS THE PEOPLE'S BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, the President has been trying to convince the country that it should forget about Watergate so the Government can begin looking after the "people's business."

It is now clear that the administration is interested in big business and is insensitive to the "people's business."

Recently, the President vetoed the increase in the minimum wage proposed by Congress and he delayed a badly needed 4.7-percent increase in the pay of Federal workers. He cited the state of the economy and the need to hold down inflation as the reasons for these actions.

At the same time, his Cost of Living Council was increasing the price United States Steel could charge for rolled steel by $9-a-ton or $400 million a year. The administration did not seem concerned about what this action would do to the economy.

The people who would have benefited from the increase in the minimum wage—to a magnificent $80 a week—are among the poorest paid workers in the country and the Federal workers will now have to wait an additional 2 months before they get a cost-of-living increase which will not come close to meeting the latest increases in the prices of necessities.

When he made these moves the President said he knew the people understood that they were necessary and that they would be willing to carry their share of the economic burden.

Apparently, United States Steel does not have to make the same sacrifices. If the company was operating below the poverty level, such as the people who earn only the minimum wage must do, or if it could not afford many of the basic necessities like many of our Federal workers, the increase might be justified.

However, according to the last quarterly report the company sent to its stockholders, its earnings for the second quarter of this year are better than the first 6 months of last year.

The report states that profits for the second quarter of 1973 were $84.9 million or $1.56 per share. For the first 6 months of 1972 the company earned $71.4 million or $1.32 a share.

This is hardly the picture of a company operating at the poverty level.

It seems to me, Mr. Speaker, that if United States Steel needs more money then so do the poorest workers in the country.

In this case what is good for United States Steel is good for the people and I intend to vote to override the President's veto of the bill to increase minimum wages.

ECONOMIC GROWTH OF FREE CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

Mr. HANLEY. Mr. Speaker, I want to take this opportunity to join with my colleagues in congratulating the people of Free China on what is surely one of the most fantastic economic growth rates in the world. The Taiwanese, enjoying freedoms and initiatives unknown by their brothers and sisters in Red China, have managed to produce an economic miracle. Productivtiy is at an alltime high. Their GNP is rising at a rate which almost boggles the mind, and yet they have been able to achieve this without the awesome ravages of inflation which now inflict the rest of the free world, and also without having to resort to countless billions and billions of dollars in military appropriations, a fact which I hope some of our more strident colleagues here in this body will note.

It is interesting to point out, Mr. Speaker, that of all our so-called friends in the world, Taiwan has taken the lead in attempting to help the United States solve some of her economic woes. For the first, if not the only time in modern international trading annals, the Taiwanese recently voluntarily sent an economic delegation to Washington to help discover ways in which our increasing balance-of-payments deficit with them could be decreased and hopefully eliminated. I fear this fact has been lost on too many of us.

I have said on countless occasions both here and in other public forums that the United States has only a few real allies left in this world. One of them is Taiwan. Let us not let her down.

SOCIAL SECURITY BENEFITS

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, today I am joining with several of my colleagues in introducing a bill that would make the 5.9-percent increase in social security benefits effective immediately.

Congress originally intended that such a raise would go into effect this year, but considerable opposition from the administration delayed the increase until June 1974. This delay will mean unnecessary hardship to elderly Americans who must live on social security benefits. Of the many myths that exist about social security, surely the most damaging is the belief that current benefits are adequate to meet the basic needs of the recipients.

In light of the neglect with which we have treated the needs of elderly Americans, it is startling to realize that senior citizens comprise the fastest growing segment of our population. The total population of the United States has tripled since 1900, while the older population has increased more than twice as fast.

This 5.9 percent increase in benefits is an important beginning for efforts to focus more of the Nation's resources on the needs of senior citizens. Every older person should have an income adequate to maintain health and enable an individual to be self-sufficient, and yet even that moderate standard of living is beyond the reach of about half of all aged people.

Older Americans living on limited in-

comes are perhaps those most severely victimized by the effects of inflation. This rise in prices over the past 4 years has often been sharpest for services or products of special importance to them. The impact of a 39-percent increase in property taxes has been especially severe, because nearly 70 percent own their homes. Public transportation costs have risen by 32.3 percent, and yet many elderly have no other means of transportation. The rise in food prices affects many American families, but the aged spend about 27 percent of their income for food compared with 17 percent for all Americans.

The rapid, uncontrolled rise in the cost of basic necessities of life had made a mockery of the intent of Congress to provide better living conditions for elderly Americans. In spite of the fact that consumer prices rose 8.3 percent in the first 5 months of this year, the administration continues to oppose an immediate 5.9 percent social security increase on the premise that it is inflationary.

Congress has voted that a cost-of-living adjustment mechanism go into effect in 1975, but only 1974 price increases will be taken into account. Nor can senior citizens rely, as the administration has suggested, on other sources of income—savings, private pensions, and so forth—for such sources are particularly vulnerable to inflation.

A recent article in the Cedar Rapids Gazette documented the manner in which Iowans have tried to cope with the difficulties posed by aging. The article poignantly illustrated the economics of aging in America with the example of one man who, after his monthly payment on a small bungalow, had less than $90 left from his social security check.

In my judgment, such facts more than justify an immediate raise in social security benefits. Congress and the administration must, of course, cut needless spending, but I strongly believe that we can continue to make reductions in such areas as military and foreign spending and can tighten tax loopholes in order to establish and maintain a realistic spending ceiling and a balanced budget. It is in no way responsible to reduce spending in matters vital to the well-being of older Americans.

I strongly urge that Congress fulfill its intent of 1972 and enact an immediate increase in social security benefits to keep pace with the rapid rise in prices. Congress must meet its responsibility to insure senior citizens the dignity and respect they so much deserve.

ELI WHITNEY AND THE COTTON GIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINN) is recognized for 5 minutes.

Mr. GINN. Mr. Speaker, the year 1973 marks the one hundred eightieth anniversary of one of the most momentous developments in the history of American society: Eli Whitney's invention of the cotton gin, a development that was destined to change for the better both the face of America and the life of her people forever. It was on September 11, 1793, that Whitney perfected his amazing new machine.

I am proud to say that this historic event took place in my own district in Georgia, at Mulberry Grove Plantation, only a few miles from Savannah. It was the fall of 1792 when Eli Whitney arrived in Savannah, bound for a tutor's job in South Carolina. He had just graduated from Yale, but scarcely met the usual description of a young man just out of college: Whitney was 27 when he graduated; he had spent several years as a craftsman and entrepreneur before making the decision to seek a higher education. From his youth he was mechanically inclined, and while still a teenager he established his first business enterprise, a nail foundry. The Revolutionary War had cut off the American market from British foundries that had long supplied nails to the colonies. Whitney realized this basic need and moved to combat it. Whitney arrived in Savannah an experienced young man, skilled as a mechanic and businessman as well as a tutor. As I mentioned before, he came to the South with the intention of being instructor to the children of a South Carolina planter, Major Dupont, but fate intervened: upon arriving, he was told that the salary offered was only half what he had originally anticipated.

While Whitney waited to return to Connecticut, the hospitality of Mulberry Grove was offered to him. Mulberry Grove, a large and stately plantation, was the home of Catherine Greene, widow of Gen. Nathaniel Greene, one of the outstanding American generals of the Revolution. The estate had been donated to him by the grateful citizens of Georgia in recognition of the services he had rendered to them in helping drive British troops from their soil during the struggle for Independence. After the general's untimely death, Mrs. Greene retained Phineas Miller, a transplanted northerner, as manager of the farm. A friend of the president of Yale, it was Miller who had acted as Major Dupont's agent in securing the services of Eli Whitney, and it was to Mulberry Grove that the disappointed tutor returned. By great and good fortune the man and the hour had met. Whitney was to provide the catalyst that would radically alter the South.

The combination of circumstances which led to the invention of the cotton gin reads almost like a novel. The South was in economic doldrums and needed a profitable cash crop to maintain its growth. Of the major products grown in southern farms and plantations at that time, rice and indigo were little in demand overseas, while tobacco crops left the soil depleted of its minerals after only a few years of cultivation. The planters of the South had considered cotton but found it economically unfeasible. Only one variety grew successfully, green seed cotton, a short staple cotton, but the tremendous amount of labor expanded to remove the seeds from this variety made it unprofitable to grow. At the same time across the sea in England, the mills were crying for cotton. The 18th century had seen a steady improvement in the ability to produce cotton cloth cheaply and efficiently. Spurred by the development of innovations such as the spinning jenny and the water frame, English cotton weavers were able to build large factories where tremendous efficiency in production of the cloth was attained. In 1793 these mills were crying for cotton. The demand for cotton cloth far outstripped the available supply of raw cotton.

Into this gap stepped Eli Whitney. While at Mulberry Grove he had the chance to talk with some of Mrs. Greene's neighbors, planters who bemoaned the fact that despite the great need for cotton fiber, the short staple cotton grown in Georgia required too many man hours to clean. The planters put the idea into Whitney's head, and he at once set to work on the new invention. Ten days later he unveiled a small working model of the machine which was to change the face of America. Like many of the products of genius, the cotton gin was masterful in its simplicity. A roller pulled the fibers through a sort of screen which culled the seeds and dropped them into a tray below, leaving the strands ready for bailing. Whitney estimated that one man using a full-size machine could turn out as much in 1 day as 50 men working by hand.

The cotton gin spread throughout the South with incredible rapidity, stimulating settlement of the whole broad Cotton Belt stretching today as far as Texas. The changes wrought by widespread cotton cultivation were little short of astounding. While the population of the United States as a whole increased by a third between the years 1790 and 1800, my own native Georgia doubled its population during the decade, growing from 80,000 to 160,000 in this short time.

The increase in cotton production itself is even more astounding. During the revolutionary decade in which Whitney's invention was introduced, production of cotton in the United States grew from a 1790 figure of 3,000 bales to the astounding total of 73,000 bales in 1800, a more than twentyfold increase. Cotton sent to meet the demand of British mills provided one of the few solid exports of the young Nation, helping to offset our payments deficit, while cotton shipped to the North helped fuel the development of America's own infant industries.

The importance of cotton's contribution has increased down to our present day. Cotton is not only used in producing fabrics, although this continues to be of tremendous importance. Now every part of the cotton boll is used. Cottonseed is rich in oil; it is transformed into vegetable shortenings, margarine, salad dressings, face creams, soaps, and automobile lubricants. The crushed hulls of the cotton boll are an ingredient in the manufacture of plastic. The pressed kernels furnish fertilizer for other crops, while hulls and kernels, ground together, are

an important animal feed. Cotton "linters," the short fuzz adhering to the seeds after ginning, are even more versatile in their uses; they find their way into such widely diverse products as rayon, shatter-proof glass, plastics, writing paper, varnishes and lacquers, and even dynamite.

Cotton has, through its versatility, proved an ever greater asset to our society, an invaluable factor in our unprecedented standard of living. And it all started "down home," in my native State of Georgia, barely 12 miles from Savannah, I salute the memory of Eli Whitney on the 180th anniversary of his great invention, and I salute cotton, America's "White Gold," an incomparable and inexhaustible national resource.

THE FIGHT GOES ON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 5 minutes.

Mr. PODELL. Mr. Speaker, in the last few weeks, events in the Soviet Union have served to remind us of a great task as yet unfinished. The new wave of repression practiced against a few courageous dissidents, the statements of Andrei Sakharov, the famed Soviet physicist, demonstrate that we have a great obligation left to fulfill.

Just as it seemed that the cause of Soviet Jewry had subsided because there were no incidents of note, merely the ordinary, run-of-the-mill harassment, Dr. Sakharov spoke up to remind us that the Soviet Union is not a safe environment for those who value their human rights. We in the Congress were well aware of this when we declared our support for the Freedom of Emigration Act. We must never lose our awareness of this fact.

In spite of temporary easings of the restrictions against Jewish emigration from the Soviet Union, most notably when Chairman Brezhnev visited the United States last June, it is still virtually impossible to get out of the Soviet Union if you are anything more than a laborer or clerk. Take the case of Valery Panov, the gifted dancer, as an example.

Mr. Panov has, for the past several years, asked permission to emigrate to Israel. He feels that, both as a Jew and as an artist, it is impossible for him to survive in the Soviet Union. The Russian Government responded by not only denying him permission to emigrate, but by also denying him the right to work as a dancer. He could not perform; he could not even practice. After an international outcry by his colleagues in the performing arts, the Soviet Government let it be quietly known that it would grant Panov permission to emigrate at the beginning of September if he were not made the object of so much publicity. Thus, statements on his behalf by artists and political leaders ceased. When Panov went to reapply for his passport a few days ago, he was turned down again.

Panov is only one of many stories. He has become well-known in the West because of his stature as a performing artist. But there are so many others, both those who have applied for visas, and those who would like to apply but are too afraid of government reprisals, who are looking to us in the Congress for help. When we gave our names in cosponsorship of the Freedom of Emigration Act, we made a promise to hundreds of thousands of men, women, and children in the Soviet Union. We promised them nothing short of freedom.

No matter how important it is to the prestige of the administration to win a major reform of the trade laws and to expand trade with the Soviet Union, it is still more important for our Nation to act morally and responsibly. After what we have seen of the way the wheat deal was handled last year, we should not be so anxious to rush into new trading agreements with the Soviet Union unless we are sure that we will be getting something of value in return. That something of value need not be consumer goods, or even currency. Russia has precious little of either. That something of value can be, in fact, must be, the freedom of men, women, and children in Russia, to leave that nation. That something of value must be a relaxation of the climate of repression in the Soviet Union, so that men like Sakharov, who contributed so much to Russia's scientific development, need not live in fear of their very lives.

The Trade Reform Act will soon be before us for our consideration. As we debate this legislation, we should remember all those hungry souls in the Soviet Union who look to us for their last hope for freedom. The relative quiet for the last few months should not lull us into a false sense of security that all is well. Instead, we should all feel that the struggle has only just begun.

FBI FILES ON MEMBERS OF CONGRESS SHOULD BE DESTROYED

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

Mr. KOCH. Mr. Speaker, on September 11, Jack Anderson in his column, "The Washington Merry-Go-Round" reported on the files that the FBI maintains or has maintained on Members of Congress. I have had extensive correspondence with the FBI Directors beginning with Acting Director Gray and most recently Director Clarence Kelley on this subject.

I think it is very important that this Congress take appropriate action to bar the FBI from maintaining files on Members of Congress except where they do so in pursuit of criminal investigations. The files I have reference to relate to personal material which can only be collected and ultimately used for the purpose of intimidating a Member and have no reference at all to criminal activities.

I believe the political dossiers maintained on Members of Congress by the FBI should be destroyed. Director Kelley and his predecessors have taken the position that the law prohibits the FBI's destruction of those files. I intend to introduce legislation which will direct the destruction of these files.

It is particularly appropriate at this time that I also mention legislation which I have prepared and will be circulating for cosponsorship which will regulate all of the files now being collected and computerized both by public and private agencies on all our citizens. The citizens of this country have the right to limit the kind of information being collected about them individually which is not related to criminal activities and to see the information that is being collected so as to make certain that it is accurate and only used for a valid reason.

Mr. Speaker, for the examination of our colleagues, I am annexing the correspondence that I have had with the FBI and others on this matter, together with related congressional correspondence, and the Jack Anderson column:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., November 1, 1972.

Hon. L. PATRICK GRAY,
Acting Director, Federal Bureau of Investigation, Department of Justice, Washington, D.C.

DEAR MR. GRAY: Having learned for the first time that there are dossiers kept by the FBI on Members of Congress, we, the undersigned, request that those dossiers relating to each of us, be furnished to us.

We ask you to send our respective files to our offices immediately so that we may examine them and ascertain exactly what it was that the FBI was collecting.

Sincerely,

EDWARD I. KOCH,
BENJAMIN S. ROSENTHAL,
JONATHAN B. BINGHAM.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., November 24, 1972.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: As you may know, Acting Director Gray recently was hospitalized with an intestinal obstruction. We do not know at this time when he will return to his office.

Your letter of November 1, 1972, was being given careful consideration prior to Mr. Gray's hospitalization. You will appreciate the importance of your request necessitates his personal attention; therefore, we are unable to predict when we will be in a position to respond. I assure you that upon Mr. Gray's return we will respond to your request as quickly as possible.

Sincerely yours,

W. MARK FELT,
Acting Associate Director.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., January 2, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I regret that my illness followed by surgery has delayed this response to your letter of November 1, 1972.

For your ready reference, I am enclosing a copy of my press release of October 27, 1972, announcing the termination of the FBI pro-

gram of collecting biographical data on major nonincumbent Congressional candidates.

The FBI does not maintain secret files or political dossiers on Members of Congress, and you will note that I neither stated nor implied that we do in my press release. The creation of dossiers was neither the intent nor the purpose of the program I terminated on October 27. Its purpose was to assist officials of the FBI in the conduct of our relations with the Congress of the United States.

Let me describe for you the program that I ordered discontinued and how it operated. I believe this will greatly enhance the understanding of this matter.

Around 1950, the officials of the FBI then responsible for dealing with the Congress decided it would be most beneficial to them if they had some biographical data on newly elected Members and a knowledge of any prior contacts by FBI representatives with these new Congressmen and Senators. Initially, they orally requested FBI field office officials to furnish the desired information. In 1960, the practice was begun of requesting such information by sending routine slips to the various FBI field offices. This has been followed each election year since that time.

The information was gathered for our own internal use and not in response to any regulation or statute. At first, information was sought only on nonincumbent candidates for Congress. In 1960, the requests were expanded to include nonincumbent candidates for Governorships, since FBI officials also felt their contacts with Governors could be enhanced by some prior knowledge of the individual's background.

No investigation was conducted to secure this information, and no investigative file was opened either in the field offices or at FBI Headquarters. The biographical information was collected by individual Agents covering the home area of the candidate. It was gathered from local newspapers, campaign brochures, and reference books such as city directories or books which publish biographical information—all sources readily available to the general public. This information was augmented by a summary of any data (already in the files) of the field office. This might include correspondence exchanged with the candidate; memoranda concerning personal contacts; results of investigations involving the candidate, either as a subject, a victim, a witness, or a reference; or information voluntarily submitted to the FBI.

The material collected by the field office was sent to FBI Headquarters where it would be held until the results of the election were known. If the candidate was defeated in his bid for office, all of the material submitted by the field office would be promptly destroyed and no record of it kept. If the candidate was successful, a memorandum summarizing the material submitted by the field office would be prepared. Into this summary memorandum also would be incorporated a brief abstract of any information already contained in the files at FBI Headquarters. Here again, the information might include correspondence exchanged with the candidate; memoranda concerning personal contacts; results of investigations involving the candidate, either as a subject, a victim, a witness, or a reference; or information voluntarily submitted to the FBI. The raw material forwarded by the field office would be destroyed, and only the summary memorandum would be retained and incorporated into FBI files.

I am giving serious consideration and study to the ultimate disposition of these summary memoranda.

Sincerely yours,

L. PATRICK GRAY III,
Acting Director.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., October 27, 1972.

"The FBI is not investigating and has not investigated Members of Congress or Congressional candidates," Acting FBI Director L. Patrick Gray, III, declared today. "The only exceptions have been where a Member was alleged to have violated a Federal law or where the Member is being considered for a top-level Government appointment.

"It has just come to my attention," he said, "that since 1950 personnel at FBI Headquarters responsible for dealing with Congress have, as a matter of routine practice, gathered biographical data on major candidates for the House of Representatives and the Senate from newspapers, magazines, campaign literature, and various reference publications. FBI Field Offices from time to time have been requested, by means of a routing slip directive, to assist by providing information that was readily available from local files and local publications.

"Initially, the purpose of this was to provide briefing material for FBI officials who might desire it before making a call on a newly elected Congressman or Senator. In short, the routine was a part of the Congressional relations program of the FBI. Later, following the enactment of Public Law 91-644 dealing in part with violent offenses against Members of Congress and Members of Congress-Elect, it became apparent that such information would be of immediate use in following investigative leads arising in the event such offense were to be committed against a Member or a Member-Elect of Congress.

"I became aware of this program," Mr. Gray continued, "as a result of inquiries alleging that an FBI Agent in Lorain County, Ohio, had been making inquiries about the background of the Democratic candidate for Congress in Ohio's 13th District. This Agent's inquiries were not authorized, and were in violation of specific instructions that the gathering of information on Congressional candidates is to be made from readily available published sources only, and not through any outside inquiries. The FBI is conducting an internal administrative investigation of this Agent's actions to determine why this instruction was not followed.

"At the same time," Mr. Gray continued, "because the program of gathering briefing material on Congressmen and Congressional candidates has been brought to my attention through this incident, I have given consideration to the need for such a program. Such a program is not essential to FBI operations, and I believe it is obvious that it can be misinterpreted easily as a program to investigate Congressmen and Congressional candidates. Therefore, I have decided to terminate this program as of today."

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 10, 1973.

L. PATRICK GRAY III,
Acting Director, U.S. Department of Justice, Federal Bureau of Investigation, Washington, D.C.

DEAR MR. GRAY: I am delighted that you have recovered from your illness and have returned to your duties.

I do appreciate your detailed response of January 2. Please do let me know whether the three of us who requested our files from you were among those who were included in the "FBI program of collecting biographical data on major nonincumbent Congressional candidates."

If I was included, I would very much like to see that file.

All the best for the New Year.

Sincerely,

EDWARD I. KOCH.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., January 24, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Your letter of January 10, 1973, has been received, and I appreciate your kind comments about my return to duty.

As outlined in some detail to you in my letter of January 2, 1973, the FBI collected biographical information on major nonincumbent Congressional candidates beginning around 1950. At no time was an investigation conducted on you or any other member of Congress as part of this program. No investigative file was kept on you or any other member of Congress as part of this program. The methods of collecting the information, the specific types of information involved, and the methods of recording that information were all set out in the January 2 letter. As I indicated in that letter, if the candidate was successful, a memorandum summarizing the biographical information was prepared and incorporated into FBI files.

Such recorded information retained by the FBI is subject to the regulation and control of the Attorney General. It is not available for inspection except for authorized purpose and then only on a need-to-know basis. Therefore, I must decline your request.

Sincerely yours,

L. PATRICK GRAY III,
Acting Director.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 17, 1973.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Thanks so much for sending me a copy of the letter of April 13, the original of which you sent to the Attorney General. I very much appreciate your keeping me informed of the status of the matter.

Sincerely,

EDWARD I. KOCH.

U.S. SENATE,
Washington, D.C., April 13, 1973.

Hon. RICHARD G. KLEINDIENST,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: At the recent hearings on the nomination of Patrick Gray to be Director of the Federal Bureau of Investigation, the question was raised about possible legal obstacles to destruction of files kept on members of Congress or other public officials by the Bureau.

Mr. Gray suggested that specific statutory provisions prohibited their simple destruction. Further, he seemed to suggest that the elaborate process of review and recordation required for their destruction in compliance with present law would create an even greater danger for misuse of the information they may contain than would their continued existence.

Because this is a matter of such concern, would you please furnish me with the citation to all federal statutes, and also regulations of the Bureau or the Justice Department, which would bear on this problem.

I would also appreciate any thoughts your Department might have on the question of arranging for the disposal of such records. However, since I realize this latter evaluation may take some time, could you please send me the citations I have requested in the meanwhile.

With best wishes,

Sincerely,

PHILIP A. HART.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 5, 1973.

Mr. WILLIAM D. RUCKELSHAUS,
Acting Director, Federal Bureau of Investigation, Department of Justice, Washington, D.C.

DEAR MR. RUCKELSHAUS: As you may know, the FBI maintains political dossiers on Members of Congress. In November, 1972, three members of the House of Representatives, Reps. Rosenthal, Bingham and I, requested our files of your predecessor. The correspondence I had with Director L. Patrick Gray, was placed in the *Congressional Record* and is herewith enclosed.

I ask you now to provide each of us with copies of our respective records for our own inspection. I also urge that these congressional political dossiers be turned over for inspection to all congressmen who desire to see them.

During the hearings held by the Senate Judiciary Committee on the L. Patrick Gray nomination, Mr. Gray maintained that it was his desire to physically destroy these files but that current law prohibited such an action. I am not certain that his analysis of the law was, in fact, correct, as I believe that the files can be destroyed. If his legal analysis is correct, I would appreciate your advising me as to what changes in the law are required in order to authorize such destruction of these files so that I may introduce appropriate legislation.

I would appreciate this information at your earliest opportunity.

All the best.

Sincerely,

EDWARD I. KOCH.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., June 22, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Your letter of June 5, 1973, has been received. I am sorry I can add no additional information to that previously furnished to you by Mr. L. Patrick Gray, III. As you know, I am bound by the same restrictions which precluded his furnishing the information you requested.

Specifically, records within the terms of 44 U.S.C. section 3301 must be destroyed in accordance with the provisions of 44 U.S.C. sections 3302–3303a. These provisions require the submission of records proposed for destruction to the Administrator of General Services for his approval. This law, of course, can be clarified simply enough if Congress desires and your proposal is certainly an alternative.

Cordially,

WILLIAM D. RUCKELSHAUS,
Acting Director.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 27, 1973.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I should like to bring you up to date on my efforts to obtain release of the files that the FBI maintains on Congressmen, the subject of your letter of April 13th to then Attorney General Richard G. Kleindienst. You were kind enough to send a copy to me.

I am enclosing the letter of June 22nd which I have received from William D. Ruckelshaus, Acting Director of the FBI, in response to my letter of June 5th which is likewise enclosed. I would very much like to pursue this matter with you legislatively to do the following:

a. Permit Members of Congress to see their files.

b. Direct the destruction of these files.

I would also like to see broader legislation which would protect all members of the public. My federal privacy bill, a copy of which is enclosed, would do that. Senator Bayh introduced it in the 92nd Congress and I believe is considering reintroducing it in the current Congress.

Again, I would like very much to work with you on this subject.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 23, 1973.

Hon. CLARENCE M. KELLEY,
Director, Federal Bureau of Investigation, Washington, D.C.

DEAR MR. KELLEY: As you may know, the FBI maintains political dossiers on Members of Congress. In November, 1972, three members of the House of Representatives, Reps. Rosenthal, Bingham and I, requested our files of L. Patrick Gray. Again on June 5, 1973, I requested these files of your immediate predecessor, William D. Ruckelshaus. The correspondence I had with L. Patrick Gray was placed in the *Congressional Record* and is herewith enclosed. I have also enclosed the most recent correspondence I have had with Mr. Ruckelshaus.

Every member should have the right to see his own file. Despite Mr. Gray's comments that the files maintained by the FBI are not investigative, but rather in the form of biographical memoranda, the contents of those files are shrouded in mystery. I am not requesting that you destroy the files, since your predecessor stated that legislation to do so is required. I am simply asking again that we be permitted to see our own files.

I would appreciate your consideration of this request.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 23, 1973.

Hon. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As I mentioned to you on the Floor recently, I would hope that the Judiciary Committee would involve itself in securing from the FBI the dossiers which the agency maintains on Members of Congress. For your information, I have enclosed my most recent correspondence on this subject with Director Clarence M. Kelley.

I believe that a Committee request to produce the files for inspection by the respective members might meet with the Director's affirmative response. I urge you to consider having the Committee make such a request.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., July 26, 1973.

Hon. JAMES O. EASTLAND,
Chairman, Senate Judiciary Committee, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that you have set up a special panel of the Senate Judiciary Committee to oversee the operations of the FBI. I would like to bring to your attention a situation which, I think, merits your investigating. It is fully described in the statement I made on the floor of the House some time ago, a copy of which is enclosed, and the matter still remains unresolved.

I have asked each of the Acting Directors of the FBI, L. Patrick Gray and William D. Ruckelshaus, and the current Director, Clarence M. Kelley, to release to the Members of Congress for their personal inspection, the separate files which the FBI maintains on these Members. The acting directors both refused and I have not yet heard from Mr. Kelley. The copies of the correspondence that I have had on this matter are also enclosed.

I believe that the very integrity and independence of the Congress is at stake.

Sincerely,

EDWARD I. KOCH.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., July 27, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Your letter of July 23, 1973, in which you allege that the FBI maintains political dossiers on members of Congress has been received.

In response to your request that you be permitted to see your "own files," I would like to repeat the information that was furnished to you by letter from former Director Hoover dated April 5, 1971, that you have never been the subject of an investigation by the FBI and this Bureau has no investigative file or dossier relating to you. Further, as indicated by the copies of the pages of the "Congressional Record" of February 7, 1973, enclosed with your letter of July 23, 1973, the facts concerning the collection of biographical data by this Bureau were fully disclosed to you by letter dated January 2, 1973, and I can add nothing to that statement at this time. Therefore, it will not be possible to comply further with your request.

Sincerely yours,

CLARENCE M. KELLEY,
Director.

CONGRESS OF THE UNITED STATES,
COMMITTEE ON THE JUDCIARY,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 30, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR ED: I appreciate your letter of July 23, 1973 concerning F.B.I. dossier.

Our Subcommittee on Civil Rights and Constitutional Rights is currently giving considerable attention to the entire subject of criminal justice information. As a result, I am referring your letter to Representative Don Edwards who is the chairman of that Subcommittee.

With kindest regards, I am

Sincerely,

PETER W. RODINO, JR.,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1973.

Hon. DON EDWARDS,
Rayburn HOB, Washington, D.C.

DEAR DON: I have received Chairman Rodino's letter of July 30 in which he advised that he had turned over the matter raised in my letter of July 23 concerning F.B.I. dossiers on Members of Congress. I do hope you will have hearings on this subject so as to secure those files.

I am enclosing my latest correspondence with Kelley which is subsequent to the information furnished to Chairman Rodino.

I hope you enjoy the recess.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 3, 1973.
Hon. CLARENCE M. KELLEY,
Director, Federal Bureau of Investigation, Washington, D.C.

DEAR DIRECTOR KELLEY: I have your letter of July 27 for which I thank you. I am pleased to be advised that I "have never been the subject of an investigation by the FBI and this Bureau has no investigative file or dossier relating to (me)." If that is also true of and applicable to all Members of Congress (that there are no files on them), then I am bewildered by Acting Director Gray's testimony to that effect on February 28, 1973 before the Senate Judiciary Committee. In response to a question from Senator Hart concerning the destruction of what I believe to be files on citizens prominent in public life including Members of Congress, Acting Director Gray said:

"Well, the Archivist is required to review material to be destroyed, and I do not want people to read some of this rot that is in those files, that is where the hurt comes in, and I am not going to, as long as I am the guardian of those files, I am going to break my back to protect those files because it is wrong to let some of that stuff out. Somebody has got to read them. And once again, you get the question of who is going to do that."

What is this "rot" that he did not want others to see and is it a reference which also includes material relating to Members of Congress? (See enclosed copy of my testimony in which I refer to Mr. Gray's prior testimony.)

Finally, your letter of July 27 again refers to "the collection of biographical data by this Bureau." I would like to know whether your files have such biographical data on me and if they do, may I examine the material?

To sum it up, would it not be in the best interest of the Congress and the F.B.I. that any dossier which you have on any Member of Congress be made available for inspection by that Member if he or she desires that opportunity. In the interest of preserving the independence and integrity of the Congress shouldn't all such files be destroyed?

If you are lacking in authority to destroy them, as your predecessors appear to believe is the case, shouldn't you request appropriate legislation to permit you to do that?

I look forward to a resolution of this matter which will be in the best interest of the United States, and would appreciate your further comment.

Sincerely,

EDWARD I. KOCH.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAN OF INVESTIGATION,
Washington, D.C., August 16, 1973.
Hon. EDWARD I. KOCH,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KOCH: Your letter of August 3, 1973, has been received.

In my letter of July 27, 1973, to you, I stated as plainly as I could the facts concerning your inquiry. In response to your letter of August 3, 1973, I cannot interpret for you the statement you attributed to Mr. Gray. However, I note that the enclosure to your letter included a passage quoting Senator Hart in that regard as follows:

"I think in fairness I had better reserve an expression of opinion until I have looked at that transcript to see whether any question was clear and explicit and if there was a possibility of confusion, recognizing that the preparation of the letter to you is more carefully done than a response from the stand. That seems a disturbing contradiction but perhaps it is not."

I will say that it is possible the reference to "rot" was based on the knowledge that some information received during an investigation or voluntarily submitted to the FBI without our request is recognized by this Bureau as hearsay, or mere speculation, and treated as such. That, however, has nothing to do with the assembly of publicly available biographical data as described to you by letter dated January 2, 1973.

Let me repeat what you have been told previously: The FBI has no investigative file or dossier relating to you. We have file references to your name principally to locate the several letters you have written to this Bureau which, of course, we retained in our files. I am confident that you have file references in your office on me and my predecessors for the same reason. I see nothing sinister in your maintenance of your file references on me, and I trust you would agree this Bureau is equally entitled to maintain such file references concerning you. If you do not agree and you feel that there is a need to purge all references to you from FBI files, or that you must inspect our files, certainly you are entitled to seek appropriate legislation to accomplish your objectives.

It is my view that FBI files should not be disclosed except where a governmental purpose would be served thereby.

Sincerely yours,

CLARENCE M. KELLEY, *Director.*

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 23, 1973.
Mr. CLARENCE M. KELLEY,
Director, Federal Bureau of Investigation, Washington, D.C.

DEAR MR. KELLEY: I enjoyed your letter. You have a very good sense of humor and that is important.

Let's have lunch. I'll call you when Congress reconvenes in September.

Sincerely,

EDWARD I. KOCH.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 11, 1973.
Hon. CARL ALBERT,
Speaker of the House, The Capitol.

DEAR MR. SPEAKER: Members of my Delegation very concerned that the F.B.I. has maintained files on Members of Congress have asked me to take the matter up with you. I am informed that on October 27, 1972, L. Patrick Gray, Acting Director of the F.B.I. announced the termination of the F.B.I. program of collecting biographical data on candidates for Congressional office. Thereafter, several Members wrote to Acting Director L. Patrick Gray requesting that they be given the opportunity of inspecting their own files and were refused the opportunity by the Acting Director. At the Senate hearings held on the nomination of L. Patrick Gray to be Director, he was interrogated with respect to the dossiers maintained on Members of Congress. He testified that it was his desire to destroy the files but that specific statutory provision prohibited such simple destruction.

I understand that the subsequent Acting Director, William D. Ruckelshaus also denied Members the opportunity of seeing their respective files, after being requested to do so.

Mr. Speaker, many of our colleagues are distressed with the situation whereby the Executive Branch through the use of the F.B.I. has collected dossiers on Members of Congress and has refused to exhibit that material to the respective Members as well as the F.B.I. taking the position that while it will no longer collect such material it cannot destroy the existing files.

I have been requested to seek your intervention in this matter with the thought that you could secure those files for the separate and private inspection by the respective Member, and also the destruction of the files.

I believe, Mr. Speaker, this to be a grave matter which affects the integrity and independence of Congress and which must be immediately resolved.

Sincerely,

JAMES J. DELANEY,
Chairman, New York Delegation.

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., August 28, 1973.
Hon. JAMES J. DELANEY,
Chairman, New York Delegation, Rayburn House Office Building.

DEAR MR. CHAIRMAN: This will acknowledge your letter expressing the concern of Members of your Delegation regarding files relating to Members of Congress maintained by the Federal Bureau of Investigation. I regard this as a very serious matter and regret that the press of business before the August adjournment and the subseqent recess have occasioned this delay in responding to you.

I have asked the newly appointed Director of the Federal Bureau of Investigation, Mr. Clarence M. Kelley, to comment on the points which you have raised on behalf of your Delegation. It may be that he will want to reconsider the policy regarding the availability and eventual destruction of these files which had been in effect under Acting Directors Gray and Ruckelshaus. After Mr. Kelley's views on this have been made known to me, I will be in a better position to consider these matters and take such action as may appear appropriate at that time.

Warmest regards and very best wishes.

Sincerely,

CARL ALBERT,
The Speaker.

[From the Washington Post, Sept. 11, 1973]

ALBERT QUERIES FBI ABOUT HILL FILES

(By Jack Anderson)

Speaker Carl Albert has asked the FBI's new boss, Clarence Kelley, to advise him on the "very serious matter" of FBI congressional files.

For years, we have been reporting on the FBI's habit of keeping files on prominent Americans, including members of Congress. As evidence, we have quoted excerpts from the secret FBI files.

When Kelley's predecessor, Pat Gray, took over the FBI, he blandly assured newsmen: "None of you guys are going to believe this—and I don't know how to make you believe it—but there are no dossiers or secret files."

We immediately offered to tell Gray, since he was new around the FBI, where some of the secret files were stashed. We even printed several of the file numbers to help him locate the hidden dossiers.

But it wasn't until the FBI was caught snooping into the private life of a Democratic congressional candidate six months later that Gray admitted the FBI had been collecting information on both congressmen and candidates since 1950.

Several congressmen, eager to find out what the FBI has been compiling about them, have asked to see their FBI files. But the bureau has contended that the law prohibits the destruction or dissemination of existing files.

Now the mighty House Speaker has joined in the inquiry. As yet, Kelley hasn't responded to Albert's request. But he has been turning down other congressional requests.

For example, Rep. Edward Koch (D-N.Y.), a leader in the effort to close the books on

the FBI's political files, got nowhere with Kelley.

"I am confident," responded the FBI chief in a private letter, "that you have file references in your office on me and my predecessors (to locate correspondence). I see nothing sinister in your maintenance of file references on me, and I trust you would agree this bureau is equally entitled to maintain such file references concerning you."

From our own access to the FBI's secret files, however, we can report that the FBI keeps far more than routine references. The congressional dossiers, in addition to newspaper clippings and biographical data, also contain eavesdrop information, surveillance reports and gossip from informants.

Speaker Albert's FBI file, for example, contains a report about his relationship with lobbyist Fred Black, based upon a conversation picked up by an FBI listening device.

The firm but friendly Kelley, however, shows no inclination to open up the congressional files. Although the FBI hasn't hesitated in the past to show files to favored congressmen and newsmen, Kelley wrote to Koch "If there is a need to purge all references to you from FBI files or that you must inspect our files, certainly you are entitled to seek appropriate legislation to accomplish your objectives."

Unless Albert's intervention carries more weight with Kelley, in other words, it will take an act of Congress to eliminate the FBI's political files.

Diplomatic Express—Most of our wandering legislators are now back from their summer junkets, but the souvenirs they bought are following behind. Usually, these are shipped home by diplomatic pouch as if they were state secrets.

Thus the taxpayers not only pay the travel expenses for flying members of Congress all over the world but also the freight charges for bringing back their accumulated loot.

In South Vietnam, for instance, some visiting congressmen went on a shopping spree. They dumped their vases, jade elephants and bric-a-brac upon the U.S. embassy which shipped them by diplomatic air pouch to Capitol Hill.

But the U.S. embassy in Thailand balked when Rep. Lawrence Hogan (R-Md.) tried to send a rattan patio set home by diplomatic pouch. The embassy fired off a cable to the State Department requesting guidance.

"Air freight cost on packages Congressman Hogan requested embassy escort officer to pouch to Washington will amount to $620," explained the cable. "Embassy escort officer advised Congressman Hogan shipment via air pouch would be very expensive and recommended packages be forwarded via surface pouch.

"Congressman Hogan stated another embassy had forwarded his packages by air pouch and thus did not agree shipment should be via surface pouch . . . Advise recommended means of transport."

The State Department finally notified Hogan he would have to pay commercial freight charges to ship his patio furniture to Washington.

Hogan told us he never asked the embassy to send his packages by diplomatic air pouch but merely mentioned that the Saigon embassy had done so.

Footnote: The other House members in Hogan's party were Bella Abzug (D-N.Y.), Joshua Eilberg (D-Pa.), Marvin Esch (R-Mich.), and William Steiger (R-Wis.). The Navy flew them, their wives and Bella Abzug's husband to the Far East.

PLAUDITS FOR SOLZHENITSYN AND SAKHAROV

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

Mr. KOCH. Mr. Speaker, in light of the most recent wave of repression experienced by Soviet Jews and intellectuals, it is particularly appropriate to recognize the courage of two men who have unhesitatingly fought for the freedom of all Soviet citizens. Author Aleksandr I. Solzhenitsyn and Physicist Andrei D. Sakharov should receive the admiration of all Americans for their determined resistance to the continued harassment conducted by the Soviet Government.

I am appending the following articles from the New York Times and the Washington Post because they serve as reminders that these extraordinary men have not been silenced. Mr. Solzhenitsyn's statement of September 11 should give cause for reflection to those Americans who are willing to exempt the Soviet Government from the standards of human decency they apply in judgment of their own and other Governments. Mr. Sakharov's statement of September 12 is an eloquent response to those who would confuse concern for the liberties of Soviet citizens with opposition to international harmony and cooperation.

It is clear that the United States has an excellent opportunity to use the Soviet Government's desire for detente to exercise leverage toward putting a stop to the brutal repression of Russian dissidents. To do less would be to endorse the moral vacuum represented in Mr. Kissinger's statement quoted in the Washington Post editorial of 2 days ago. That editorial and a companion one from the New York Times are included below. They are representative of an increasingly strong feeling by many Americans that the Nixon administration has been tragically remiss in its refusal to use the peaceful means in its power to oppose the continued violation of individual liberties by the Soviet Government. If two individuals, Solzhenitsyn and Sakharov, in the Soviet Union itself are willing to stand up to their oppressive government—should we here in safety do less? I hope not.

The articles follow:

[From the New York Times, Sept. 12, 1973]

SOLZHENITSYN ASSAILS LIBERALS IN WEST

(By Theodore Shabad)

Moscow, Sept. 11.—The novelist Aleksandr I. Solzhenitsyn has accused Western liberals of dual standards of morality in what he described as their quick readiness to denounce oppression in rightist countries but reluctance to criticize the Soviet Union.

In a wide-ranging commentary on world events, focusing on the basic issues of peace and war and "violence of the state," the 54-year-old author also called United States Senate leaders "hypocritical" in their charges of political misconduct in the Watergate affair.

He was critical of a visit last year by the British Labor party leader, Harold Wilson to Czechoslovakia, of a trip made to North Vietnam by Ramsey Clark, the former United States Attorney General, and of what Mr. Solzhenitsyn described as Western silence at the time of the Communists' massacre of South Vietnamese civilians in Hue in 1968.

A 3,000-WORD STATEMENT

The dissident writer made these and other points about what he said was Western timidity in a 3,000-word statement, which also contained the nomination of Andrei D. Sakharov the physicist and civil rights advocate, for the 1973 Nobel Peace Prize. The full text became available here today, a day after the nomination was disclosed.

Both Mr. Solzhenitsyn and Mr. Sakharov have been targets of official press attacks in recent weeks for interviews with Western newsmen that criticized the Kremlin's domestic and foreign policies.

Mr. Sakharov, in particular, has drawn the Government's anger by suggesting that there can be no genuine East-West reconciliation unless it is accompanied by democratic reforms leading to a more open society in the Soviet Union.

Mr. Solzhenitsyn took up the theme in his review of world affairs when he said that peace could not be assured by the absence of war but also an end of other forms of violence, including domestic political controls by governments.

Challenging the validity of the Soviet Union's policy of "Peaceful Coexistence," the novelist said: "Coexistence on this tightly knit earth should be viewed as an existence not only without wars—that is not enough—but without violence, or anyone's telling us how to live, what to say, what to think, what to know and what not to know."

He as in part attacking Soviet residence restrictions that have kept him from obtaining an official permit to reside in Moscow at the apartment of his present wife, Natalya Svetlova. The novelist said in an interview two weeks ago that he would disregard the order.

Mr. Solzhenitsyn noted in his latest statement that railroad embankments in the Soviet Union were often decorated with stone mosaics spelling out the words "Peace to the World."

He commented, "That propaganda might be very useful if it meant that not only that there be no wars in the world, but that all internal violence cease as well."

DANGER OF APPEASEMENT

A major theme in his statement was the danger of appeasement. It was in this context that he criticized some trips by Western public figures to Communist countries.

He also played with the notion that Neville Chamberlain, the prewar British Prime Minister, might have been awarded the Nobel Peace Prize after having signed the Munich pact with Hitler in 1938. Chamberlain described the treaty as assuring "peace in our time," but World War II began a year later with Germany's invasion of Poland. Chamberlain has since become a symbol of appeasement of the Nazis.

Charging that Western liberals were often reluctant to take a stand against Communist regimes, Mr. Solzhenitsyn said, "And yet, how they would close ranks if it were a matter of protesting the other way."

He mentioned the case of Pyotr G. Grigorenko, a Soviet dissident, who has been detained in a mental hospital for four years, and then asked whether world opinion would ever permit South Africa to detain a black African leader in this fashion.

"The storm of worldwide rage would have long ago swept the roof from that prison!" he said.

HYPOCRITICAL, CLAMOROUS RAGE

He charged that the "hypocrisy of Western protests" extended even to such aspects of Western political life as the Watergate affair. Without pretending to defend President Nixon or the Republican party, he said, he is "amazed at the hypocritical, clamorous rage displayed by the Democrats."

Depicting American democracy as a system devoid of solid ethical foundations, he wrote, "Wasn't that democracy full of mutual deception and cases of misconduct during previous election campaigns, except, perhaps, that they were not on such a high level of electronic technology and remained happily undiscovered?"

The Watergate upheaval, he said, suggested to him similarities between the final years of Czarism in Russia, which he has been researching for his books, and the United States, which he said was "in what, I dare predict, are also its final years before the great breakdown."

SAKHAROV: THIS, NOT THAT

Moscow.—The newspaper campaign [in the Soviet Union] with respect to my recent interviews employs as its fundamental argument the accusation that I am supposedly speaking against the relaxation of international tension, almost in favor of war. This is an unscrupulous play on the antiwar feelings of the nation which suffered the most from the Second World War, which lost millions of its sons and daughters. This is a deliberate distortion of my position.

Beginning in 1958 I have spoken out both in print and in private for ending nuclear tests in the atmosphere. I believe these efforts made their contribution to the conclusion in 1963 of the historic Moscow treaty banning tests in three environments.

In my fundamental public statements, my 1968 "Thoughts on Progress and Peaceful Coexistence," my 1971 "Memorandum" and my 1972 "Afterword," I have written about elimination of the mortal danger of thermonuclear war as the main problem facing mankind. Therefore I have always welcomed and welcome now the relaxation of international tension and the efforts of governments toward rapprochement of states, toward limitation of the arms race, toward elimination of mutual mistrust. I have believed and believe now that the only real way to solve world problems is the movement of each side toward the other, the convergence of the capitalist and socialist systems accompanied by demilitarization, reinforcement of social protection for workers' rights and creation of a mixed type of economy.

This has been my consistent position and it was restated again in my recent interviews with foreign correspondents in Moscow. In these interviews I also emphasized the importance of mutual trust which requires extensive public disclosure and an open society, democratization, free dissemination of information, the exchange of ideas, and respect for all the fundamental rights of the individual, in particular respect for everyone's right to choose the country where he wishes to live.

I call attention to the danger of seeming détente, not accompanied by increased trust and democratization. I consider this warning my right and my duty. Is this warning really a statement against détente?

I am speaking up for the trampled rights of my friends in camps and psychiatric hospitals, for Shikhanovich, Bukovsky, Grigorenko, Plyushch, Amalrik, Borisov, Fainberg, Strkata and many others. I cannot consider these statements slanders of our system as the newspapers describe them. I deem it important that human rights in our country should be afforded no worse protection than in the countries entering into new, more friendly relations with us, that our towns, our countryside and our internal life be open, as in those countries, to foreigners and our own citizens as well, including such institutions as places of confinement, psychiatric hospitals and places of residence and work of those freed on probation. Let the presence of the Red Cross lead to removal of the barbaric "muzzles" from the windows of Soviet prisons and stay the hand of the criminals who gave haloperidol to Leonid Plyushch in the hell of Dnepropetrovsk prison psychiatric hospital.

The newspaper campaign involving hundreds of persons, among them many honest and intelligent individuals, has deeply grieved me as still another manifestation of brutal coercion of conscience in our nation, coercion based on the unrestricted material and ideological power of the state.

I believe not my statements but just this newspaper campaign, so foolish, and so savage with respect to its participants, can harm international détente.

[From the New York Times, Sept. 11, 1973]

WARNING TO MOSCOW

More than any other group of men and women, scientists live with the terrifying knowledge of humanity's precarious balance on the edge of self-destruction. An awareness of awesome risks, together with their own responsibility in creating them, leads scientists at times to reach across national boundaries to appeal to the conscience of men of power. It was in such a moment of humane solidarity that the National Academy of Sciences reached out to its Soviet counterpart in a warning that the arrest or further harassment of Andrei D. Sakharov, the eminent Soviet physicist, might jeopardize the future of American-Soviet scientific cooperation.

Academician Sakharov, father of the Soviet hydrogen bomb but also a prime mover for the nuclear test ban, has come to be a symbol of lonely courage in the battle against the new upsurge of repression in Moscow. He has courageously told his countrymen: "Intellectual freedom is essential to human society—freedom to obtain and distribute information, freedom for openminded and unfearing debate, and freedom from pressure by officialdom and prejudice."

Just such pressure is now being brought to bear on Academician Sakharov with such organized force that even the members of the Soviet Academy of Sciences, with a few honorable abstentions, have surrendered to the Kremlin and attacked their colleague.

This new line of persecution, along with the stepped-up Soviet campaign of terror against all dissent and recent incidents of organized anti-Semitism, is being pressed at the very time when American and Soviet officialdom extol the mutual benefits of the new spirit of detente and cooperation. The Soviet people, who stand to derive great personal benefits from trade with the United States, must conclude that the American Government is giving tacit approval to what can only be considered as neo-Stalinism. A succession of Cabinet-level American delegations to Moscow, coinciding with the new terror inevitably reinforces this impression.

American scientists have now made it clear that they cannot in good conscience cooperate with those who stifle dissent and suppress intellectual freedom. Would that the United States Government, as represented by President Nixon and Secretary-designate Kissinger, had a comparable sense of moral purpose.

[From the Washington Post, Sept. 12, 1973]

THE REQUIREMENTS OF DÉTENTE

The very difficult question of what is to be the substance of Soviet-American "detente" is passing from a debating phase to a political phase. A significant number of Americans now appear to believe it is neither desirable, possible nor safe to improve relations with the Soviet Union unless the Kremlin liberalizes some of its domestic policies. So the National Academy of Sciences has just conditioned its support of further scientific exchanges on an end to Kremlin harassment of physicist-libertarian Andrei Sakharov. House Ways and Means Chairman Wilbur Mills (D-Ark.) says he will resist expanded East-West trade "if the price is to be paid in the martyrdom" of Sakharov, Nobel laureate Alexander Solzhenitsyn and other noted dissenters. Congressional consent for expanded trade has already been linked to Soviet consent for freer emigration, especially emigration of Jews.

As the excitement of summitry wore off, people were bound to start examining the stuff of detente, the more so as the inflationary impact of last year's Soviet grain purchases came to be felt. Distracted perhaps by Watergate, Mr. Nixon has given no evidence that he has coped with the issue himself, as he should have. For it is a plain fact that, though he made his first-term breakthroughs largely alone and in secret, their consolidation requires public support. He needs the support of scientists to expand exchange, and of Congress to broaden trade. Meanwhile, the situation on the Soviet side has not been static. The Soviet government, eager to reap the benefits of detente without cost to its domestic grip, has intensified its crackdown on dissenters; they in turn have reached out for foreign support. The sharper the foreign protests, the more determined some in the Kremlin become to ignore them. Those Soviet leaders who had doubts about detente all along are no doubt arguing now that the current American "interference" in Soviet affairs proves their original point.

The attitudes of American critics require closer scanning. Some Americans who now speak for Soviet human rights may well do so because they never "trusted the Russians." Others may be making political hay. Still others, particularly American Jews, see an opportunity and feel an obligation to help their co-religionists. Scientists and intellectuals have an interest in their Soviet counterparts. Whether or not one sympathizes with any of these attitudes, the fact remains that there is a substantial and growing constituency which expects political and economic progress to be accompanied by progress in opening up Soviet society. It is a fundamental American tenet to equate trustworthiness and openness. It is deeply disturbing that the Kremlin is not subject to the same checks on the arbitrary use of power that operate on democratic governments, however imperfectly. It is offensive to find the Soviet state denying human values and it cannot avoid raising doubts about how reliable a partner it will be in joint political and economic enterprises. A form of "interference" in Soviet affairs is a natural consequence of this concern. But our own self-interest is involved as well. And that is what makes the problem so difficult for us.

Secretary of State-designate Henry Kissinger last Friday pronounced himself personally "disappointed" and "dismayed" by the recent reports of oppression from Russia. "Yet," he went on, "we have as a country to ask ourselves the question of whether it should be the principal goal of American foreign policy to transform the domestic structure of societies with which we deal or whether the principal exercise of our foreign policy should be toward affecting the foreign policy of those societies." This way of posing the issue is entirely consistent with Dr. Kissinger's view that foreign policy is essentially global strategy and that domestic considerations and pressures should not be allowed to impinge on it. Moreover, he is surely well positioned to understand the never-absent risk that the Kremlin majority currently supporting a detente policy could crumble.

The appropriate approach to the issue he poses, however, is not merely to caution those concerned with human rights. That is not only questionable politics but questionable diplomacy. The appropriate approach is to go on to caution the Soviet leadership that it is simply not possible to mold the necessary public support for a detente policy in the United States while the Kremlin continues acting as it does with respect to human rights. The real problem, we suspect, is not so much that the Soviet Union practices domestic policies repugnant to many Americans. The problem is that at a time of East-West promise when many Americans had expected a softening effect on Soviet

internal policies, the Kremlin seems to be going *backwards*. It is this sense of disappointment, of betrayal, which energizes many critics of Soviet performance on human rights. The remedy, then, is not a "transformation of the Soviet domestic structure" but some reasonable amount of evidence of positive changes—some movement in the right direction, rather than the other way around. Such evidence would almost certainly loosen the knot now tightening around certain aspects of Soviet-American detente. President Nixon has no more compelling piece of international business than to set the Soviet leadership straight on what, as a practical political matter as well as a question of principle, detente requires if it is to achieve a necessary measure of support in this country.

REPORT ON BLACK FINANCIAL INSTITUTIONS

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

Mr. MITCHELL of Maryland. Mr. Speaker, recently several major studies have disclosed that, despite gains by black citizens, the economic gap between blacks and whites is increasing, not diminishing. Obviously, black financial institutions are affected by this development. The June 1973 edition of Black Enterprise carried a significant analysis of black financial institutions. My colleagues should read this analysis in order to make an appraisal of the administration's highly publicized black capitalism efforts.

REPORT ON BLACK FINANCIAL INSTITUTIONS

For anybody, capital can oftentimes be difficult to come by; for blacks and other minorities it can sometimes be a near impossibility. But the latter situation has been alleviated somewhat by the recent rapid growth of black financial institutions. Minority-operated banks, savings and loan associations and insurance companies have been leaders in offering black support in such areas as business capitalization, home mortgages and health coverage. But sometimes, in their willingness to aid minorities, they have extended themselves beyond their means, producing some hard lessons in practical business sense. Herewith, their story and state of affairs.

Nobody knows exactly when Black America awoke to the knowledge that it had little financial stake in the growing affluence of the nation, that it was capital and credit poor, subsisting on the periphery of an economy whose soaring gross national product continued to set new records almost annually.

That is not to say there were no efforts by blacks in the past to enter business, for there were black entrepreneurs dating back to Reconstruction and beyond. It is to say that those abortive efforts frequently ran aground on the shoals of inexperience, poor training, the indifference of lending institutions and the problems of racism.

But 1973 has seen the emergence of a growing number of black-controlled banks, the continued stability of black savings and loan associations and the enduring viability of black-managed insurance companies. Today, there are 37 black-controlled banks, 44 black savings and loan associations and 42 black-managed insurance companies.

Indeed, the growth of minority-owned banks has been nothing short of phenomenal. Eighteen of them, or 48.6 per cent, have come into being since 1968 and more than two score are in the formulative stages. Four of the nation's 44 black savings and loan associations, or nine per cent, were started after 1968 and another 12 to 14 are engaged in serious planning talks. The majority of these new institutions, however, will be run by Mexican-Americans, says a spokesman for the Savings and Loan League, and "only two or three will be black." The predominantly black league has about 16 members who are either Puerto Rican, Mexican or Asian-American.

Moreover, these fledgling financial concerns have had to shoulder an incredibly large share of the loans granted to minority entrepreneurs. For example, in 1971, with the assets of the nation's majority banks at a bulging $700 billion and the assets of minority banks at $600 million, minority banks granted $60 million in business loans to minorities while majority banks granted $150 million in such loans.

So while minority banks had less than one per cent of the nation's bank assets, they accounted for more than 33 per cent of the business loans granted to minorities.

More important than the policies of minority banks, has been the ripple effect of their influence, which far exceeds their numbers.

Spurred by the Department of Commerce, the National Bankers Association with the aid of Capital Formation, a private organization, was able to attract $100 million in new deposits for minority banks from the government and major corporations. And members of the white American Bankers Association pledged $1 billion in business loans to minorities by 1975.

Similarly, black savings and loan associations have served as a catalyst for increased activity among a number of white associations which previously bypassed minorities who sought credit. In Washington, D.C., for example, Independence Federal Savings and Loan Association, the first minority controlled S&L in a city that numbers 21 savings and loan associations, has become the number one source for black mortgage credit in the nation's capital.

"Eighty-five per cent of our loans are in the inner city," says William B. Fitzgerald, president of the Savings and Loan League. Begun in 1968, Independence was responsible last year for more than 800 mortgages to black homebuyers in the district. Equally important, it apparently has helped unlock credit from other associations in Washington which previously turned their backs on black borrowers. Though Independence is still responsible for a disproportionately large number of loans to new home-owners in the district, the city's 21 other savings and loan associations appear to be changing their policies about black borrowers. Two prominent Washington personalities have become the first black board members of two of the city's associations and while participation by the majority S&Ls is still small, it has increased.

A predominantly black city, Washington is expected to soon have another association owned and staffed by minorities. Independence, meanwhile, hopes to open three new branches in the coming months and Fitzgerald predicts a heady climb in assets from $21 million to $50 million in eighteen months.

Fitzgerald's projections are particularly interesting since the nation's two largest black-controlled savings and loan associations, Broadway Federal in Los Angeles and Carver Federal in New York, have $60,451,990 and $60,000,000 in assets respectively. In any case, there seems little doubt that it is one of the fastest growing black financial institutions in the country.

With $1,413,824,208 insurance in force and $129,233,894 in assets, North Carolina Mutual Life Insurance Company of Durham continues to hold its premier position, as the most successful and durable of black businesses in the country.

Established in 1899, North Carolina Mutual owes its birth to the same group of Durham citizens, led by a barber, John Merrick, who later established Mechanics and Farmers Bank in 1907 and Mutual Savings and Loan in 1921.

Mutual's longevity and success epitomizes both the promise and the failure of black business development in this country. For years, the company grew solidly and profitably on premiums sold to black policy holders in a segregated market left to it because white insurance companies would not insure blacks at the time. Indeed, like a crown jewel, its glittering success mocked the piddling efforts of thousands of under-capitalized black enterprises that foundered in a sea of segregation and credit isolation.

But just as major white insurance companies shifted gears and began to aggressively pursue black customers, Joseph W. Goodloe, the company's president before he stepped down last year to be succeeded by William J. Kennedy III, decided to go after group coverage for the nation's blue chip corporations. The result has been more than $500 million worth of group insurance for N.C. Mutual and a quantum jump from 892 on the list of U.S. insurance companies to 207th in the nation's rankings by the National Underwriter Co.

But the future of black financial institutions depends upon whether they, like any small businesses, can carve out a place in the market and keep it. Moreover, if they are to survive they must compete with firms in the majority society. One of the reasons for the growth of black-controlled banks in Chicago, it is believed, is Illinois' banking laws which do not permit branch banking. Indeed, 15 of the nation's 42 insurance companies are located in Louisiana, the result of the state's lenient insurance laws and the attitude of white insurers. Until the late 1940s, Louisiana did not have an independent insurance department and insurance for blacks was obtained largely from membership in the Masons and other fraternal orders.

But there have been few times in history when the future of black financial institutions looked as promising. Indeed, a growing cadre of blacks believe that black-managed banks, insurance companies and savings and loan associations may be the instruments to stimulate capital flow into communities that in the past have been by-passed, and that they may also offer increased financial support for the black entrepreneur.

"We're in the business of identifying businesses that have economic viability," says Boyd. "After all, the success of black banks or any bank is dependent upon picking winners."

BANKS

Name of company	Location	Chief executive officer	Year started	Number of employees	Total deposits	Total assets 1972
Seaway National Bank of Chicago	Chicago, Ill	Harold Algar	1965	108	$45,899,103	$48,797,915
Freedom National Bank	New York, N.Y.	Robert Boyd	1964	106	43,378,534	47,111,915
Independence Bank of Chicago	Chicago, Ill	Alvin J. Boutte	1964	88	44,000,000	47,000,000
Citizens Trust Bank	Atlanta, Ga	Charles M. Reynolds	1921	110	33,072,000	40,744,588
Industrial Bank of Washington	Washington, D.C	B. Doyle Mitchell	1934	74	37,000,000	40,000,000
Mechanics and Farmers Bank	Durham, N.C	John H. Wheeler	1907	51	34,166,230	37,697,158
1st Independence National Bank	Detroit, Mich	David B. Harper	1970	40	27,632,574	30,000,000

SAVINGS & LOAN ASSOCIATIONS

Name of company	Location	Chief executive officer	Year started	Number of employees	Total deposits	Total assets 1972
Bank of Finance	Los Angeles, Calif	Edward L. Tillmon	1964	75	$27,500,000	$29,000,000
National Industrial Bank of Miami	Miami, Fla	Garth C. Reeves	1964	27	25,855,403	26,865,545
United Community National Bank	Washington, D.C	Samuel L. Foggie	1964	38	21,000,000	23,254,000
Douglas State Bank	Kansas City, Kan	Sharnia Buford	1947	42	17,000,000	20,000,000
Consolidated Bank & Trust Co	Richmond, Va	V. W. Henley	1903	40	18,000,000	19,617,243
Tri-State Bank of Memphis	Memphis, Tenn	A. Maceo Walker	1946	35	17,800,000	19,600,000
Gateway National Bank	St. Louis, Mo	I. Owen Funderburg	1965	39	14,000,000	16,700,000
North Milwaukee State Bank	Milwaukee, Wis	Felmers O. Chaney	1971	27	13,879,478	14,568,453
Unity Bank and Trust Co	Roxbury, Mass	Marvin Peck	1968	30	14,000,000	14,000,000
1st Plymouth National Bank	Minneapolis, Minn	John Warder	1969	29	12,500,000	14,000,000
Swope Parkway National Bank	Kansas City, Mo	Edward V. Kerrigan	1963	33	10,500,000	12,000,000
Vanguard National Bank	Hempstead, N.Y	John Bates	1972	17	9,000,000	12,000,000
Highland Community Bank	Chicago Ill	George Brokemond	1970	21	10,547,800	11,627,500
Riverside National Bank	Houston, Tex	Dr. Carl Carroll	1963	30	9,531,104	10,787,823
Gateway National Bank	Chicago, Ill	Joseph Bertrand	1955	32	6,250,000	10,176,600
Citizens Savings Bank & Trust Co	Nashville, Tenn	M. G. Ferguson	1904	15	7,810,052	8,423,229
1st Enterprise Bank	Oakland, Calif	Robert W. Steiner, Jr	1972	20	7,133,000	8,380,000
Atlantic National Bank	Norfolk, Va	Earle Thomas	1971	17	7,300,000	8,300,000
Carver State Bank	Savannah, Ga	Robert E. James	1947	11	7,000,000	8,000,000
1st State Bank	Danville, Va	L. Wilson York	1919	12	6,979,805	7,793,472
Unity State Bank	Dayton, Ohio	Robert L. Davis	1970	22	6,300,000	7,200,000
Liberty Bank of Seattle	Seattle, Wash	James C. Purnell	1968	20	5,812,901	6,414,679
Liberty Bank & Trust Co	New Orleans, La	Alden J. McDonald, Jr	1972	9	3,928,872	6,089,718
Midwest National Bank	Indianapolis, Ind	James Sedwick	1972	16	3,500,000	5,500,000
Freedom Bank of Finance	Portland, Oreg	V. F. Booker	1969	14	4,694,945	5,409,281
Peoples National Bank of Springfield	Springfield, Ill	Leon H. Stewart	1970	10	4,805,000	5,300,000
Guaranty Bank & Trust Co	Chicago, Ill	Oscar S. Williams	1972	25	4,000,000	5,200,000
Victory Savings Bank	Columbia, S.C	Henry D. Monteith	1921	14	4,623,706	5,044,069
Greensboro National Bank	Greensboro, N.C	Henry Frye	1971	9	4,089,547	4,851,922
American State Bank	Tulsa, Okla	Gerald B. Nelson	1970	15	4,252,000	4,807,000
Broadway Federal Savings & Loan Association	Los Angeles, Calif	Elbert Hudson	1947	45	47,863,938	60,451,990
Carver Federal Savings & Loan Association	New York, N.Y	Richard T. Greene	1948	60	50,000,000	60,000,000
Illinois Federal Savings & Loan Association	Chicago, Ill	A. W. Williams	1934	27	31,463,000	34,500,000
Family Savings & Loan Association	Los Angeles, Calif	M. Earl Grant	1948	23	24,085,200	30,196,000
Hyde Park Federal Savings & Loan Association	Chicago, Ill	Paul H. Berger	1961	15	22,029,189	26,641,104
Independence Federal Savings & Loan Association	Washington, D.C	William B. Fitzgerald	1968	11	18,500,000	21,000,000
Home Federal Savings & Loan Association of Detroit	Detroit, Mich	W. R. Phillips	1947	16	14,653,700	15,966,000
Citizens Federal Savings & Loan Association	Birmingham, Ala	A. G. Gaston	1957	15	13,000,000	15,000,000
Mutual Savings & Loan Association	Durham, N.C	John S. Stewart	1921	8	9,802,854	13,194,647
Mutual Federal Savings & Loan Association	Atlanta, Ga	Fletcher Coombs	1925	16	11,500,000	12,500,000
Service Federal Savings & Loan Association	Chicago, Ill	Harold Thatcher	1950	12	10,213,382	11,857,343
Allied Federal Savings & Loan Association of New York	New York, N.Y	Frank L. Thompson	1958	17	8,135,957	10,254,768
Advance Federal Savings & Loan Association	Baltimore, Md	W. O. Bryson, Jr	1957	12	8,268,515	10,012,285
New Age Federal Savings & Loan Association	St. Louis, Mo	Henry Harding	1915	11	9,139,498	10,000,567
United Federal Savings & Loan Association	New Orleans, La	Anthony J. Hackett	1964	9	7,984,875	9,601,189
Enterprise Savings & Loan Association	Compton, Calif	Cornell R. Kirkland	1963	12	7,100,000	9,600,000
Quincy Savings & Loan Co	Cleveland, Ohio	Charles V. Carr	1952	9	7,894,689	9,145,094
Connecticut Savings & Loan Association	Hartford, Conn	Edward J. Barlow	1968	8	6,700,000	7,500,000
Berean Savings Association	Philadelphia, Pa	Robert Horton	1888	8	6,000,000	7,500,000
Peoples Building & Loan Association	Hampton, Va	Lawrence Barbour	1889	8	5,822,405	7,320,827
First Federal Savings & Loan Association of Scotlandville	Baton Rouge, La	B. V. Baranco	1956	7	5,885,294	7,142,628
American Federal Savings & Loan Association	Greensboro, N.C	J. Kenneth Lee	1959	6	5,388,947	6,995,842
Standard Savings Association	Houston, Tex	Mack H. Hannah	1959	7	5,585,000	6,355,000
Tuskegee Federal Savings & Loan Association	Tuskegee, Ala	L. A. Hayden	1894	5	4,600,000	5,500,000
Major Industrial Federal Savings & Loan Association	Cincinnati, Ohio	Theodore Walker	1921	5	4,600,000	4,800,000
Columbia Savings & Loan Association	Milwaukee, Wis	W. Dale Phillips	1924	7	4,035,131	4,653,771
Berkley Citizens Mutual Savings & Loan Association	Norfolk, Va	Elbert Stewart	1913	6	3,946,654	4,243,059
State Mutual Federal Savings & Loan Association	Jackson Miss	Jack Young, Sr	1955	6	4,200,000	4,200,000
Community Federal Savings & Loan Association	Nashville, Tenn	Alfred C. Galloway	1962	4	3,700,000	4,200,000
Mutual Federal Savings & Loan Association	Memphis, Tenn	Lawrence Wade	1957	6	3,200,000	3,900,000
Dwelling House Savings & Loan Association	Pittsburgh, Pa	Norman T. Hardy	1958	4	3,275,414	3,550,280
Washington Shores Federal Savings & Loan Association	Orlando, Fla	Charles J. Hawkins	1963	6	3,100,000	3,500,000
Gulf Federal Savings & Loan Association	Mobile, Ala	D. Z. Crawford	1964	4	3,031,000	3,240,000
Union Mutual Savings & Loan Association	Richmond, Va	Garfield Childs	1961	4	1,645,187	2,707,646
Community Federal Savings & Loan Association	Tampa, Fla	James T. Hargett, Jr	1967	4	2,389,142	2,478,713
Equity Savings & Loan Association	Denver, Colo	Earl M. West	1955	3	1,164,650	1,569,307
Security Federal Savings & Loan Association	Chattanooga, Tenn	Jesse McCants	1971	4	1,483,086	1,528,863
Morgan Park Savings & Loan Association	Chicago, Ill	J. L. Campbell	1921	5	1,221,035	1,356,648
Ideal Building & Loan Association	Baltimore, Md	E. Gaines Lansey	1963	5	808,210	918,272
Imperial Savings & Loan Association	Martinsville, Va	H. P. Williams	1929	3	840,000	900,000
Community Savings & Loan Association	Newport News, Va	Samuel L. Urquhurt	1958	2	526,615	552,613
Louisville Mutual Savings & Loan Association	Louisville, Ky	George Cordery	1961	1	351,272	393,078
Magic City Building & Loan Association	Roanoke, Va	Walker Atkinson	1915	1	87,620	255,800
North Tulsa Savings & Loan Association	Tulsa, Okla	Clarence Fields	1968	3	127,000	230,000

LIFE INSURANCE COMPANIES

North Carolina Mutual Life Insurance Co	Durham, N.C	William J. Kennedy III	1899	276	$1,413,824,208	$129,233,894
Atlanta Life Insurance Co	Atlanta, Ga	N. B. Herndon	1905	1,000	317,096,543	80,803,984
Golden State Mutual Life Insurance Co	Los Angeles, Calif	Ivan J. Houston, FLMI	1925	650	1,118,625,578	44,018,698
Universal Life Insurance Co	Memphis, Tenn	A. M. Walker, Sr	1923	800	254,192,066	40,890,966
Supreme Life Insurance Co. of America	Chicago, Ill	John H. Johnson, Ray Irby, president.	1921	500	566,841,951	39,277,244
Chicago Metropolitan Mutual Assurance Co	do	Anderson M. Schweich	1927	500	203,508,608	28,376,843
Mammoth Life & Accident Insurance Co	Lousiville, Ky	Julius E. Price, Sr	1915	600	138,493,749	20,997,420
Pilgrim Health & Life Insurance Co	Augusta, Ga	W. S. Hornsby, Jr	1898	275	85,356,329	14,331,937
Afro-American Life Insurance Co	Jacksonville, Fla	I. H. Burney II	1901	400	174,405,635	11,275,598
Booker T. Washington Insurance Co	Birmingham, Ala	A. G. Gaston	1923	350	99,421,480	11,245,498
American Woodmen's Life Insurance Co	Denver, Colo	James H. Browne	1901	36	28,852,871	10,070,308
United Mutual Life Insurance Co	New York, N.Y	Nathaniel Gibbon, Jr	1933	30	42,000,823	8,778,359
Central Life Insurance Co. of Florida	Tampa, Fla	Edward Davis	1922	175	32,000,000	6,621,000
Winston Mutual Life Insurance Co	Winston-Salem, N.C	George E. H I	1906	150	27,900,000	5,500,000
Peoples Life Insurance Co. of Louisiana	New Orleans, La	Benjamin J. Johnson	1922	200	30,000,000	4,000,000
Southern Aid Life Insurance Co	Richmond, Va	H. H. Southall, Sr	1893	179	23,632,242	3,917,545
Virginia Mutual Benefit Life Insurance Co	do	Booker T. Bradshaw	1933	160	18,371,976	3,809,435
Protective Industrial Insurance Co. of Alabama	Birmingham, Ala	Virgil L. Harris	1938	147	23,394,245	3,460,046
Good Citizens Life Insurance Co	New Orleans, La	Mrs. R. L. Johnson	1933	200	20,000,000	3,000,000
Union Protective Life Insurance Co	Memphis, Tenn	C. A. Rawls	1933	132	19,000,000	3,000,000

CHILEAN TRAGEDY COMPOUNDED BY PRESIDENT ALLENDE'S DEATH

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

Mr. FASCELL. Mr. Speaker, the reported death of President Salvador Allende compounds the tragedy of yesterday's action by the Chilean Armed Forces to force out a democratically elected government in the face of a

mounting crisis which threatened civil war.

Only time and the skillful statesmen-like conduct of Chileans of every political persuasion can contain the damages to the Chilean people. Based on Chile's long history of respect for democratic institutions and political sophistication, there is a sound basis for hope that the present dangerous period may yet pass without doing irreparable damage.

Mr. Speaker, the methods President Allende was following in his attempt to socialize Chile gave rise to concern in and out of his country. Nevertheless, Salvador Allende was a formidable figure who commanded the respect of his fellow citizens including many who opposed him.

The events of the last several weeks and especially the last few days sadden all of us who have hoped that somehow Chile would resolve her problems peacefully.

This morning Miami Herald carried a thoughtful editorial and article on the Chilean situation in, which I am sure my colleagues will be interested:

[From the Miami Herald, Sept. 12, 1973]

THE EXPLOSIVE EVENTS IN CHILE MAY HAVE A FEARSOME FALLOUT

Like a tropical storm that boils into being out of the extreme forces in the atmosphere, the revolution in Chile was as inevitable as now it is dangerous.

Chileans are essentially a peaceful people with a continuous history of constitutional government since 1833 and a tradition of military non-involvement in politics. The storm that has burst around Salvador Allende has changed all that.

Sr. Allende is the first freely elected Marxist president in the Western Hemisphere. While he preserved some of the democratic amenities including relative freedom of the press and assembly, he was committed to an extremity, and that at length has brought him down.

The country has been riding to ruin for months economically and it is in the grip even now of countless strikes. With the exception of an abortive tank regiment attack on the presidential palace in Santiago two months ago, until yesterday the military simply attempted to keep order. It even stood by while Allende drove two air force generals meekly into retirement.

Where there is prolonged political deadlock, as there has been in Chile for many months, power brokers sooner or later will intervene, and that is the meaning of yesterday's military maneuvers which can plunge the country into raging civil war.

If the outcome has a familiar pattern somewhat after the design of Peru and Brazil, it is in a sense deceptive. Chile has liked to stage its confrontations at the polls, not the barricades. Too, Sr. Allende enjoyed and probably still enjoys at least a paramilitary following, including a part of the police who wore the only uniforms usually seen in Santiago.

"So far," writes Laurence Whitehead of The Guardian earlier this week, "the Allende regime has proved capable of surviving each of the successive trials of strength, but the achievement has been to survive rather than to govern.

"It has not been possible for the regime to tackle the economic and political conditions which stoke up the confrontation. To bring the economic situation back under control and restore public order would require the virtual capitulation of either the Congress or the executive, and neither side's supporters are in the mood to tolerate the least sign of compromise among their leaders."

Prophetic, but only so far. Enter, the army in what always had to be the final act. How that act is played out, either in the savagery of conflict or the quick restoration of political moderation, can affect the whole hemisphere.

[From the Miami Herald, Sept. 12, 1973]

INFURIATED MIDDLE CLASS KEY TO ALLENDE'S FALL

(By William Montalbano)

The guns that rained fury into Salvador Allende's presidential palace Tuesday belonged to the armed forces. But it was the beleagured and infuriated Chilean middle class that pulled the triggers.

Allende's world shattered around him three years and one week from the bright spring day he became the first Marxist elected democratically to the presidency of an American republic.

In recent weeks Chile has danced to an extremists' tune. The extremists on both sides, like the economy, raced beyond Allende's control.

Chile became a kind of Western Hemisphere Northern Ireland, it had its own daily list of terror and casualties.

When Salvador Allende first came to power he had great dreams for Chile.

After nearly four decades in opposition, the urbane, 65-year-old Allende came to office in 1970 pledging to put Chile on the road to socialism. He said he would govern within existing democratic institutions.

Chile's Marxist president envisioned a peaceful, low-cost revolution whose principal beneficiary would be the Chilean poor. They were his most avid constituents, about 40 per cent of the population.

The Allende government catered frankly to the workers. And they profited, tangibly, through pay increases and easier access to basic goods. And tangibly, the government said, they profited through increased state control of the economy.

The rich suffered in anger—and often in exile. But that was an acceptable price in a country where two-thirds of the people vote to the left of center.

For some of Allende's reforms he had broader support than his own electoral base. In the nationalization of copper, for example, nearly everyone was for him.

But with major industries under state control—about half the economy—the government kept wanting more and more. After the "monopolists" had fallen, middle-sized and small industrialists, farmers, merchants and entrepreneurs began to feel the pressure. They felt they were next. They were afraid Allende would not stop only with the rich.

Politically, Chile became a vortex of hatred. It split into two poles. There was no middle 60 percent to the opposition, 40 percent to the government. And each side became shriller, more angry, more intransigent as time went on.

Economically, poor planning, inept administration and entrenched opposition spelled disaster. The Chilean economy went from bad to worse to incredible.

Inflation galloped out of control. Basic commodities became scarce. The black market became Chile's only growth industry.

By and large, the Chilean middle class—about half of nine million people—would have been tolerant, if not content, to see the poor raised to their level.

Instead, middle class Chileans perceived themselves being dragged down by Allende, their economic and social status eroded, and their political dominance vanishing, perhaps for all time, under the threat of Marxist dictatorship.

Last October, the middle class rebelled in a prolonged strike spearheaded by truckowners. Of 50,000 members of the truck owners' union, according to union president Leon Vilsrin, 14 men are fleet owners. The remainder own one, two or three trucks.

The truck owners became a symbol of the entire middle-class. Last October's strike nearly brought Allende down.

As an alternative, the Chilean armed forces entered the government at cabinet level, but without real authority. This cooled Chile down and the opposition said, guaranteed the integrity of nationwide congressional elections last March.

Allende displayed greater strength in the elections—44 per cent—than his opponents dreamed possible.

The military quit the government. The opposition became disheartened. The government pushed harder than ever.

The economy worsened even more: the world's worst inflation, production declines, crop failures, political distribution of foodstuffs, acute shortages.

The screaming became shriller. Each side accused the other of trying to provoke a civil war. Talk of civil war filled the cold winter air like snowflakes.

There were calls for peace and reconciliation, but they were drowned out by the shouting. Extremism of both the left and the right flourished.

Drawn into the struggle, as by a magnet, came the armed forces.

Chile, a nation of Spanish and Italian immigrants, is no banana republic. Its respect for the constitution and constitutional institutions is stronger perhaps than anywhere else in Latin America. Its soldiers are non-interventionist by both training and inclination.

But by the end of July, when the truckers struck again, the armed forces had become thoroughly politicized. In June elements of one tank regiment attempted a coup. In July, the extreme left was caught lobbying openly for a mutiny among soldiers and sailors.

As the strike continued last-ditch efforts at a political settlement—again with military participation—failed utterly. Gen. Carlos Prats, the army commander who had shored Allende, resigned.

New soldiers, less committed to Allende, replaced Gen. Prats.

The middle class rebellion showed no signs of slackening. Indeed it appeared to be growing as each day a new faction went on strike and Chile mired deeper in hatred and despair.

The pressures on the officers, themselves of the middle class, became intolerable.

It must have seemed that they had only two choices: Topple Allende or watch Chile collapse around them.

On Tuesday the tanks rolled.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. FRENZEL), to revise and extend their remarks, and to include extraneous matter:)

Mr. FINDLEY, today, for 5 minutes.

Mr. HOGAN, today, for 5 minutes.

Mr. YOUNG of Alaska, today, for 5 minutes.

Mr. MCCLORY, today, for 60 minutes.

Mr. WALSH, today, for 5 minutes.

Mr. BEARD, today, for 10 minutes.

MS. ABZUG (at the request of Mr. MATSUNAGA), to revise and extend her remarks today for 10 minutes.

(The following Members (at the request of Mr. BREAUX), to revise and extend their remarks, and tc include extraneous matter:)

Mr. HARRINGTON, today, for 30 minutes.

Mr. HAMILTON, today, for 15 minutes.

Mr. KASTENMEIER, today, for 5 minutes.
Mr. GONZALEZ, today, for 5 minutes.
Mr. EILBERG, today, for 5 minutes.
Mr. HANLEY, today, for 5 minutes.
Mr. CULVER, today, for 5 minutes.
Mr. GINN, today, for 5 minutes.
Mr. PODELL, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FISHER and to include extraneous matter, notwithstanding the fact that it exceeds 2¼ pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $470.25.

Mr. KOCH in two instances and to include extraneous matter.

Mr. KOCH and to include extraneous matter, notwithstanding the fact that it exceeds 3¼ pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $679.25.

Mrs. SULLIVAN to include extraneous matter and letters during debate on H.R. 8789.

Mr. LONG of Louisiana to extend his remarks following the remarks of Mr. LEGGETT on his special order.

(The following Members (at the request of Mr. FRENZEL), and to include extraneous matter:)

Mr. BROWN of Ohio.
Mr. DERWINSKI in two instances.
Mr. WHALEN.
Mr. STEIGER of Arizona.
Mr. SPENCE.
Mr. LENT in three instances.
Mr. LANDGREBE in 10 instances.
Mr. GILMAN.
Mr. FRENZEL.
Mr. FINDLEY.
Mr. WINN.
Mr. COLLINS of Texas in four instances.
Mr. ZWACH.
Mr. HUBER.
Mr. BROOMFIELD in two instances.
Mr. MOORHEAD of California.
Mr. KEATING in two instances.
Mr. HUNT in two instances.
Mr. RONCALLO of New York.
Mr. PRICE of Texas.
Mr. HARVEY.

(The following Members (at the request of Mr. BREAUX), and to include extraneous matter:)

Mr. CHARLES H. WILSON of California in two instances.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. EVINS of Tennessee in two instances.
Mr. HARRINGTON in four instances.
Mr. FRASER in five instances.
Mr. PATTEN in two instances.
Mr. HAMILTON in 10 instances.
Mr. WON PAT.
Mr. WALDIE in three instances.
Mr. MURPHY of Illinois.
Mr. REID.
Mr. DORN in three instances.
Mr. DE LUGO.
Mr. JONES of Tennessee.
Mr. ST GERMAIN.
Mr. ZABLOCKI in two instances.
Mr. BROWN of California in 10 instances.
Mr. ANDERSON of California.
Mr. DULSKI in three instances.

(The following Members (at the request of Mr. MATSUNAGA) and to include extraneous matter:)

Mr. EDWARDS of California.
Mr. WILLIAM D. FORD.
Mr. MOAKLEY in 10 instances.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, September 13, 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:

1343. A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting a report of the facts concerning a revised Department of the Navy shore establishment realinement action at the Naval Ammunition Depot, Oahu, Hawaii, pursuant to section 613 of Public Law 89–568; to the Committee on Armed Services.

1344. A letter from the Deputy Assistant Secretary of the Interior, transmitting a report on the disposal of surplus Federal real property for park and recreation purposes covering fiscal year 1973, pursuant to 40 U.S.C. 484(o); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 7976. A bill to amend the act of August 31, 1965, commemorating certain historical events in the State of Kansas; with amendment (Rept. No. 93–484). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 9715. A bill to authorize appropriations for the U.S. Information Agency (Rept. No. 93–485). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 7395. A bill to amend section 607(k)(8) of the Merchant Marine Act, 1936, as amended (Rept. No. 93–486). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 5943. A bill to amend the law authorizing the President to extend certain privileges to representatives of member States on the Council of the Organization of American States (Rept. No. 93–496). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEATING: Committee on the Judiciary. H.R. 1353. A bill for the relief of Toy Louie Lin Heong; with amendment (Rept. No. 93–487). Referred to the Committee of the Whole House.

Mr. FLOWERS: Committee on the Judiciary. H.R. 1466. A bill for the relief of Luigi Santaniello. (Rept. No. 93–488). Referred to the Committee of the Whole House.

Mr. FLOWERS: Committee on the Judiciary. H.R. 2514. A bill for the relief of Mrs. Gavina A. Palacay; with amendment (Rept. No. 93–489). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2628. A bill for the relief of Anka Kosanovic. (Rept. No. 93–490). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2629. A bill for the relief of Leonard Alfred Brownrigg (Rept. No. 93–491). Referred to the Committee of the Whole House.

Mr. WIGGINS: Committee on the Judiciary. H.R. 3043. A bill for the relief of Mrs. Nguong Thi Tran (formerly Nguyen Thi Nguong, A13707–473D/3), with amendment (Rept. No. 93–492). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 3207. A bill for the relief of Mrs. Enid R. Pope (Rept. No. 93–493). Referred to the Committee of the Whole House.

Mr. RAILSBACK: Committee on the Judiciary. H.R. 4438. A bill for the relief of Boulos Stephan (Rept. No. 93–494). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 6829. A bill for the relief of Mr. Jose Antonio Trias. (Rept. No. 93–495). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois (for himself, Mr. HUDNUT, and Mr. WHITEHURST):

H.R. 10197. A bill to improve the conduct and regulation of Federal election campaign activities and to provide public financing for such campaigns; to the Committee on House Administration.

By Mr. ANDERSON of Illinois (for himself, Mr. ARCHER, and Mr. ESHLEMAN):

H.R. 10198. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

By Mr. CLANCY:

H.R. 10199. A bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems; to the Committee on Interstate and Foreign Commerce.

By Mr. BEARD:

H.R. 10200. A bill to amend the Occupational Safety and Health Act of 1970 and for other purposes; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself, Mr. HARRINGTON Mr. HOLIFIELD, Ms. HOLTZMAN, Mrs. BURKE of California, and Mr. SARASIN):

H.R. 10201. A bill to amend the Maritime Academy Act of 1958 in order to authorize the Secretary of the Navy to appoint students at State maritime academies and colleges as Reserve midshipmen in the U.S. Navy, and for other purposes; to the Committee on Armed Services.

By Mr. BIAGGI (for himself, Mrs. BURKE of California, Mr. HOLIFIELD, Ms. HOLTZMAN, and Mr. SARASIN):

H.R. 10202. A bill to increase the subsistence payments to students at the State marine schools; to the Committee on Merchant Marine and Fisheries.

By Mr. BLATNIK (for himself, Mr. JONES of Alabama, Mr. HARSHA, Mr. KLUCZYNSKI, Mr. GROVER, Mr. WRIGHT, Mr. CLEVELAND, Mr. GRAY, Mr. DON H. CLAUSEN, Mr. CLARK, Mr.

SNYDER, Mr. JOHNSON of California, Mr. ZION, Mr. DORN, Mr. HAMMERSCHMIDT, Mr. HENDERSON, Mr. MIZELL, Mr. ROBERTS, Mr. BAKER, Mr. HOWARD, Mr. SHUSTER, Mr. ANDERSON of California, Mr. WALSH, Mr. ROE, and Mr. COCHRAN):

H.R. 10203. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

By Mr. BLATNIK (for himself, Mr. RONCALIO of Wyoming, Mr. BAFALIS, Mr. MCCORMACK, Mr. ABDNOR, Mr. JAMES V. STANTON, Mr. HANRAHAN, Ms. ABZUG, Mr. TAYLOR of Missouri, Mr. BREAUX, Mr. STUDDS, Mrs. BURKE of California, Mr. GINN, and Mr. MILFORD):

H.R. 10204. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

Mrs. COLLINS of Illinois (for herself, Mr. HAWKINS, Mrs. BURKE of California, Mr. STARK, and Mr. EDWARDS of California):

H.R. 10205. A bill to enforce the Treaty of Guadalupe-Hidalgo as a treaty made pursuant to article VI of the Constitution in regard to lands rightfully belonging to descendants of former Mexican citizens, to recognize the municipal status of the community land grants, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DEVINE:

H.R. 10206. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of dietary supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DORN:

H.R. 10207. A bill to change the name of the Trotters Shoals Dam and Lake, Georgia and South Carolina, to the Richard B. Russell Dam and Lake; to the Committee on Public Works.

By Mr. DORN (by request):

H.R. 10208. A bill to provide for the automatic guaranty of mobile home loans; to the Committee on Veterans' Affairs.

By Mr. FINDLEY (for himself and Mr. FOLEY):

H.R. 10209. A bill to provide safeguards to producers in the storing and selling of grains; and to establish the Federal Grain Insurance Corporation; to the Committee on Agriculture.

By Mr. HOGAN:

H.R. 10210. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption of $750 for certain volunteer firemen; to the Committee on Ways and Means.

By Mr. HOSMER (for himself, Mr. DELANEY, Mr. BROOMFIELD, Mr. HENDERSON, Mr. TALCOTT, Mr. BLACKBURN, Mr. PRICE of Illinois, Mr. HOGAN, Mr. PREYER, Mr. LATTA, Mr. FLOOD, and Mrs. HOLT):

H.R. 10211. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ICHORD (for himself, Mr. SYMINGTON, Mr. CLAY, Mr. HUNGATE, Mr. BURLISON of Missouri, Mrs. SULLIVAN, Mr. RANDALL, Mr. TAYLOR of Missouri, and Mr. LITTON):

H.R. 10212. A bill to designate the Veterans' Administration hospital in Columbia, Mo., as the "Harry S. Truman Memorial Veterans' Hospital", and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KARTH:

H.R. 10213. A bill to promote the peaceful resolution of international conflict, and for other purposes; to the Committee on Government Operations.

By Mr. KING:

H.R. 10214. 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. 10215. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. METCALFE (for himself, Mr. DIGGS, and Ms. HOLTZMAN):

H.R. 10216. A bill to amend title 18 of the United States Code to establish an Office of the U.S. Correctional Ombudsman; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. BROWN of Michigan, Mr. BROYHILL of North Carolina, Mr. BUCHANAN, Ms. CHISHOLM, Mr. COLLIER, Ms. COLLINS of Illinois, Mr. DERWINSKI, Ms. HECKLER of Massachusetts, Mr. LEGGETT, Mr. LUJAN, Mr. MITCHELL of Maryland, Mr. PARRIS, Mr. RAILSBACK, Mr. SHUSTER, Mr. SIKES, Mr. CHARLES WILSON of Texas, and Mr. WINN):

H.R. 10217. A bill to amend the Occupational Safety and Health Act of 1970 to improve the administration of that act with respect to small business; to the Committee on Education and Labor.

By Mr. JAMES V. STANTON:

H.R. 10218. A bill to regulate Federal election campaign financing by establishing a Federal Election Campaign Bank and by establishing a Board of Elections and Ethics; to the Committee on House Administration.

By Mr. VANIK (for himself, Mr. STUDDS, Mr. REES, Mr. TIERNAN, Mr. WON PAT, Mr. LEGGETT, Mr. ROSENTHAL, Mr. ROSE, Mr. KOCH, Mr. VEYSEY, Mr. FLOOD, Mr. CRONIN, Mr. PRICE of Illinois, Mr. BROWN of California, Mr. NIX, Mr. MILFORD, Mr. HARRINGTON, Mr. EDWARDS of California, Mr. STARK, Mr. STEELMAN, Mr. ROYBAL, Mrs. COLLINS of Illinois, Mr. BINGHAM, Mr. EILBERG, and Mr. HECHLER of West Virginia):

H.R. 10219. A bill to amend the Internal Revenue Code of 1954 to provide for a tax on every new automobile with respect to its fuel consumption rate, to provide for public disclosure of the fuel consumption rate of every automobile, to provide funding to develop more efficient automobile engines, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. PODELL, Mr. BERGLAND, Mr. GUNTER, Mr. SEIBERLING, Mr. BURGENER, Ms. HOLTZMAN, and Mr. WOLFF):

H.R. 10220. A bill to amend the Internal Revenue Code of 1954 to provide for a tax on every new automobile with respect to its fuel consumption rate, to provide for public disclosure of the fuel consumption rate of every automobile, to provide funding to develop more efficient automobile engines, and for other purposes; to the Committee on Ways and Means.

By Mr. WALDIE (for himself and Mr. SEIBERLING):

H.R. 10221. A bill to prohibit the importation of articles of harp seal and hooded seal; to the Committee on Ways and Means.

By Mr. BOB WILSON (for himself, Mr. GUBSER, Mr. BROYHILL of Virginia, and Mr. BURGENER):

H.R. 10222. A bill to provide retirement annuities for certain widows of members of the uniformed services who died before the effective date of the Survivor Benefit plan; to the Committee on Armed Services.

By Mr. BRAY:

H.R. 10223. A bill to limit certain legal remedies involving the involuntary busing of schoolchildren; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H.R. 10224. A bill to amend the Presidential Election Campaign Fund Act, and for other purposes; to the Committee on Ways and Means.

By Mr. HILLIS:

H.R. 10225. A bill to amend the act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966; to the Committee on Interior and Insular Affairs

H.R. 10226. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HUNT:

H.R. 10227. A bill to prohibit any State from levying income taxes on nonresidents of the State; to the Committee on the Judiciary.

H.R. 10228. A bill to amend section 106 of title 4 of the United States Code relating to State taxation of the income of residents of another State; to the Committee on the Judiciary.

By Mr. KEATING:

H.R. 10229. A bill to amend section 410 of title 39, United States Code, to provide that certain provisions of the National Environmental Policy Act of 1969 shall apply to the Postal Service; to the Committee on Post Office and Civil Service.

By Mr. KEATING (for himself, Mr. ROUSSELOT, and Mr. GOLDWATER):

H.R. 10230. A bill to repeal the Economic Stabilization Act of 1970; to the Committee on Banking and Currency.

By Mr. MEZVINSKY:

H.R. 10231. A bill to recognize the governmental structure of the District of Columbia, to provide a charter for local government in the District of Columbia subject to acceptance by a majority of the registered qualified electors in the District of Columbia, to delegate certain legislative powers to the local government, to implement certain recommendations of the Commission on the Organization of the Government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MOAKLEY:

H.R. 10232. A bill to protect the right of privacy by forbidding the conditioning of Federal assistance for the treatment of drug abusers or the control of drug abuse, under the Omnibus Crime Control and Safe Streets Act or any other act, on the recipient's furnishing any list or other means of identifying any persons treated by such recipient; to the Committee on the Judiciary.

By Mr. MOLLOHAN:

H.R. 10233. A bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN (for himself, Mr. CONTE, Mr. TEAGUE of California, Mr. JOHNSON of Pennsylvania, Mr. FINDLEY, Mr. BAFALIS, Mr. BAKER, Mr. FREY, Mr. CAMP, Mr. SEBELIUS, Mr. SHUSTER, Mr. HORTON, Mr. WARE, Mr. DERWINSKI, Mr. HILLIS, Mr. WYDLER, Mr. TAYLOR of Missouri, Mr. QUILLEN, Mr. KING, Mr. KETCHUM, Mr. MADIGAN, Mr. SPENCE, Mr. WALSH, Mr. PARRIS, and Mr. HAMMERSCHMIDT):

H.R. 10234. A bill, Emergency Medical Services Systems Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN (for himself, Mr. KEATING, Mr. BROTZMAN, Mr. THONE, Mr. BROWN of Michigan, Mr. MANN, Mr. HANSEN of Idaho, Mr. DUNCAN, Mr. WAMPLER, Mr. ROBISON of New York, Mr. PRITCHARD, and Mr. PRICE of Texas):

H.R. 10235. A bill, Emergency Medical Services Systems Act of 1973; to the Com-

mittee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. ANDERSON of California, Mr. ASHLEY, Mr. BADILLO, Mr. BERGLAND, Mr. BEVILL, Mr. BINGHAM, Mr. BLATNIK, Mr. BRADEMAS, Mr. BRASCO, Mr. BROWN of California, Mr. CARNEY of Ohio, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CONTE, Mr. CORMAN, Mr. CULVER, Mr. DOMINICK V. DANIELS, Mr. DAVIS of South Carolina, Mr. DELLUMS, Mr. DE LUGO, and Mr. DENHOLM):

H.R. 10236. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. DENT, Mr. DRINAN, Mr. EDWARDS of California, Mr. EILBERG, Mr. FASCELL, Mr. FLOOD, Mr. FOLEY, Mr. FRASER, Mr. GAYDOS, Mrs. GRASSO, Mr. GREEN of Pennsylvania, Mr. GUDE, Mr. GUNTER, Mr. GUYER, Mr. HARRINGTON, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mrs. HECKLER of Massachusetts, Mr. HELSTOSKI, Mr. HORTON, Mr. HOWARD, Miss JORDAN, Mr. KOCH, and Mr. LEGGETT):

H.R. 10237. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. LEHMAN, Mr. LENT, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. MCFALL, Mr. MELCHER, Mr. MEZVINSKY, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOORHEAD of Pennsylvania, Mr. MOSS, Mr. MURPHY of New York, Mr. NIX, Mr. O'HARA, Mr. OWENS, Mr. PEPPER, Mr. PODELL, Mr. PRICE of Illinois, Mr. RANGEL, Mr. REUSS, Mr. RIEGLE, Mr. RINALDO, Mr. RODINO, and Mr. ROE):

H.R. 10238. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. RONCALIO of Wyoming, Mr. ROUSH, Mr. ROY, Mr. ROYBAL, Mr. SARBANES, Ms. SCHROEDER, Mr. SEIBERLING, Mr. SHIPLEY, Mr. SHOUP, Mr. JAMES V. STANTON, Mr. STUDDS, Mr. SYMINGTON, Mr. THOMPSON of New Jersey, Mr. THONE, Mr. THORNTON, Mr. TIERNAN, Mr. VIGORITO, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. WYDLER, Mr. YOUNG of Florida, and Ms. HOLTZMAN):

H.R. 10239. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93–66 shall become effective immediately, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself and Mr. WOLFF):

H.R. 10240. A bill to provide for assistance in International Drug Control through the use of trade policy; to the Committee on Ways and Means.

By Mr. WALSH:

H.R. 10241. A bill to amend the State and Local Fiscal Assistance Act of 1972 to exempt any unit of local government which receives not more than $5,000 for the entitlement period from the requirement that reports of use of funds be published in a newspaper; to the Committee on Ways and Means.

By Mr. BROWN of Ohio:

H.J. Res. 718. Joint resolution authorizing and requesting the President to issue a proclamation designating October 7 to 13, 1973, as "Newspaper Week" and also designating October 13, 1973, as "Newspaper Carrier Day"; to the Committee on the Judiciary.

By Mr. PATMAN (for himself, Mr. BARRETT, Mrs. SULLIVAN, Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD of Pennsylvania, Mr. GONZALEZ, Mr. WIDNALL, Mr. J. WILLIAM STANTON, Mr. BLACKBURN, Mr. BROWN of Michigan, and Mr. ROUSSELOT):

H.J. Res. 719. Joint resolution to extend the authority of the Secretary of Housing and Urban Development with respect to the insurance of loans and mortgages, to extend authorizations under laws relating to housing and urban development, and for other purposes; to the Committee on Banking and Currency.

By Mr. SPENCE (for himself, Mr. COLLINS of Texas, Mr. CONLAN, Mr. CRANE, Mr. DERWINSKI, Mr. FISHER, Mr. ICHORD, Mr. ROBINSON of Virginia, Mr. SEBELIUS, Mr. SMITH of New York, Mr. SYMMS, Mr. WARE, and Mr. YOUNG of South Carolina):

H.J. Res. 720. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. ZWACH:

H.J. Res. 721. Joint resolution to designate the period February 11, 1974 through February 17, 1974 as "National Peanut Butter and Milk Week"; to the Committee on the Judiciary.

By Mr. SNYDER (for himself, Mr. DERWINSKI, Mr. COLLINS of Texas, Mr. GROSS, Mr. RARICK, Mr. SKUBITZ, Mr. DAVIS of Georgia, Mr. LANDRUM, Mr. SYMMS, Mr. KETCHUM, Mr. CAMP, Mr. BURKE of Florida, Mr. ROUSSELOT, Mr. STEIGER of Arizona, Mr. STUBBLEFIELD, Mr. MANN, Mr. DON H. CLAUSEN, Mr. CLEVELAND, Mr. MYERS, Mr. GUBSER, Mr. GROVER, Mr. MCCLOSKEY, Mr. DICKINSON, Mr. STEPHENS, and Mr. GETTYS):

H. Con. Res. 295. Concurrent resolution providing for the date of sine die adjournment of the 93d Congress, 1st session; to the Committee on Rules.

By Mr. WON PAT:

H. Con. Res. 296. Concurrent resolution relative to giving serious consideration to the political status preference of the people of Guam and to recognize the contribution of their elected representatives toward the principle of government by the consent of the governed; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY:

H. Res. 542. A resolution creating a select committee to conduct a study concerning possible American involvement in the overthrow of the Chilean Government of President Salvidor Allende in September 1973, and in the death of President Allende; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Ohio:

H.R. 10242. A bill for the relief of Capt. Terence A. Cochran, M.D., U.S. Army; to the Committee on the Judiciary

By Mr. MCKINNEY:

H.R. 10243. A bill for the relief of John J. Easton; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

278. The SPEAKER presented a petition of Rev. H. Roy Anderson, Mount Vernon, N.Y., relative to court proceedings; to the Committee on the Judiciary.

SENATE—*Wednesday, September 12, 1973*

The Senate met at 10 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, our Creator, Redeemer, and Judge, may Thy spirit lay hold upon this Nation to forgive and renew its heart. Be to us now what Thou has been to our fathers. Open our eyes to all that belongs to things of the spirit. Open our minds to the truth. Open our lips to speak Thy word. As we toil here in high endeavor, use us for the cleansing and the moral renewal of the Nation.

We pray in His name who came to show us the kingdom. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 12, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. CLARK) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of David J. Cannon, of Wisconsin, to be U.S. attorney for the Eastern District of Wisconsin, which nominating messages were referred to the appropriate committees.

(For nominations received today, see the end of Senate proceedings.)