



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 93<sup>d</sup> CONGRESS, FIRST SESSION

## HOUSE OF REPRESENTATIVES—Thursday, March 15, 1973

The House met at 12 o'clock noon. Rabbi Israel Mowshowitz, Hillcrest Jewish Center, Flushing, N.Y., offered the following prayer:

Our God and Father, in whom and through whom we are brothers one to the other, we thank Thee for this good and ample land and for the vision of freedom which founded this Republic, one nation under God, indivisible, with liberty and justice for all.

Make us worthy of our goodly heritage. Guide and inspire us to remove from our midst the yoke of oppression, the finger of insolence, and the words of malice. Make Thou, O Lord, our beloved land strong with justice, mighty with love, great with compassion; crown her good with brotherhood and grant that it become Thy dedicated instrument for the establishment of world peace. Teach us to do justly, to love mercy, and to walk humbly in Thy sight. Amen.

### THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 4278) entitled "An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. ALLEN, Mr. HUMPHREY, Mr. CURTIS, and Mr. DOLE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) entitled "An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973."

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. 776. An act to authorize the striking of medals in commemoration of the one hundredth anniversary of the cable car in San Francisco.

The message also announced that the Vice President, pursuant to Public Law 84-1028, appointed Mr. GOLDWATER, Mr. McGEE, Mr. STEVENS, and Mr. BIDEN as members, on the part of the Senate, of the Board of Visitors to the U.S. Military Academy.

The message also announced that the Vice President, pursuant to Public Law 80-816, appointed Mr. NUNN, Mr. MONTOYA, Mr. MATHIAS of California, and Mr. BARTLETT as members, on the part of the Senate, of the Board of Visitors to the U.S. Naval Academy.

The message also announced that the Vice President, pursuant to Public Law 84-1028, appointed Mr. DOMINICK, Mr. BIBLE, Mr. BELLMON, and Mr. HASKELL as members, on the part of the Senate, of the Board of Visitors to the U.S. Air Force Academy.

### RABBI ISRAEL MOWSHOWITZ

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

Mr. WOLFF. Mr. Speaker, I am truly proud that Rabbi Israel Mowshowitz, who just delivered the invocation so beautifully and movingly, is the spiritual leader of the Hillcrest Jewish Center located in my congressional district.

Rabbi Mowshowitz' outstanding record of service to his community, State, and Nation certainly deserves to be honored by his invitation to lead us in prayer here today. A graduate of Duke University, he is past president of the New York Board of Rabbis, the largest body of its kind in the world. In addition he is an honoree of the National Conference of Christians and Jews, the Jewish War Veterans, and the Federation of Jewish Philanthropies.

A cofounder and cochairman of Crossroads Africa, a study and work camp project which brought 300 students annually to Africa, Rabbi Mowshowitz has been honored as a life member of the NAACP and the Knights of Pythias.

As a representative of American Jewry, Rabbi Mowshowitz served as spokesman for the first delegation of rabbis to visit the Soviet Union in 1956 at the invitation

of the chief rabbi of Moscow and was the only Jewish representative to be officially invited as the guest of the Shah of Iran at the 2,500th anniversary celebration.

As well as being a great spiritual leader

Rabbi Mowshowitz is a great American.

I yield to my able colleague from New York (Mr. ADDABBO).

### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

MARCH 14, 1973.

Hon. CARL ALBERT,

*The Speaker, House of Representatives.*

DEAR SIR: At noon on this date a representative of the Attorney General of the United States delivered the attached Department of Justice letter to the Clerk of the House dated March 14, 1973 containing a Notice of Taking of Deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives. The Department of Justice letter and Notice of Taking of Deposition are in connection with Common Cause, John W. Gardner v. W. Patrick Jennings, Clerk of the U.S. House of Representatives, and Francis Valeo, Secretary of the U.S. Senate, Civil Action No. 2379-72 (U.S.D.C. D. D.C.). Later in the afternoon on this date, a representative of Common Cause served on the Clerk of the House a similar copy of the attached Notice of Taking of Deposition of W. Patrick Jennings. The Notice of Taking of Deposition states that Common Cause will take a deposition for purposes of discovery tomorrow at 10:00 a.m. on March 15, 1973, at the office of the attorney for Common Cause, Mr. Mitchel Rogovin, 1905 N Street NW, Washington, D.C. 20036.

This action was instituted against the Clerk of the House as Supervisory Officer under the Federal Election Campaign Act of 1971, P.L. 92-225, and was previously transmitted to the Speaker of the House on December 14, 1972. The Clerk's letter of December 14, 1972 respectfully advised that during the adjournment period under House Resolution 9 of the Ninety-Second Congress dated January 21, 1971, I made arrangements for my defense as provided for the Officers of the U.S. House of Representatives under 2 U.S.C. 118. In my December 15, 1972 letter to the Attorney General of the United States making such arrangements I reserved my right to appoint co-counsel at any time for my defense as Supervisory Officer as prescribed by House Resolution 955 of May 3, 1972, now covered by House Resolution 92 of January 6, 1973.

The Attorney General's letter of March 14, 1973 and its attached Notice of Deposition Taking, as well as the Notice served on the Clerk of the House by Common Cause are herewith attached, and the matter is pre-

sented for such action as the House in its wisdom may see fit to take.

Sincerely,

W. PAT JENNINGS,  
Clerk, House of Representatives.

MARCH 14, 1973.

Hon. W. PATRICK JENNINGS,  
Clerk of the House of Representatives,  
Washington, D.C.

DEAR MR. JENNINGS: In accordance with the telephone conversation between Paul Wohl of your office and David Anderson and Bruce Titus of my staff, I am enclosing a copy of a notice to take your deposition in the case of *Common Cause, et al. v. W. Patrick Jennings, et al.*, U.S.D.C. D.C. Civil Action No. 2379-72, which was served upon us yesterday. This notice, issued pursuant to Rule 30(b)(1) of the Federal Rules of Civil Procedure, was served in accordance with Rule 5, which provides in subsection (b) that "[w]henever under these rules service is required or permitted to be made upon a party represented by an attorney the service shall be made upon the attorney unless service upon the party himself is ordered by the court." You should, therefore, consider that the Notice of Deposition was validly served upon you yesterday, and you should now take whatever steps are necessary in accordance with the procedures of the House of Representatives to bring this matter to its attention.

As discussed with Mr. Wohl, we plan to file a Motion for a Protective Order today, seeking a postponement of the deposition pending the disposition of the Motions to Dismiss which have previously been filed in this litigation. In this connection, we would appreciate being advised as promptly as possible, of any authority which requires you to obtain a special resolution or any other House action prior to producing any documents or testifying at a deposition.

We greatly appreciate your cooperation in this matter.

Sincerely yours,

HARLINGTON WOOD, Jr.,  
Assistant Attorney General.

MARCH 14, 1973.

Hon. HARLINGTON WOOD, Jr.,  
Assistant Attorney General, Department of  
Justice, Washington, D.C.

DEAR MR. WOOD: This refers to your letter of this date that contained a copy of the notice to take my deposition in the case of *Common Cause, et al. v. W. Patrick Jennings, et al.*, U.S.D.C., Civil Action No. 2379-72 and requested "any authority which requires you to obtain a special resolution or any other House action prior to producing documents or testifying at a deposition."

Shortly after receipt of your letter, on this date, the requested authority was furnished to Department of Justice attorney, Mr. Bruce Titus.

You are hereby advised that later in the afternoon of this date Common Cause served a copy of the Notice of Taking of Deposition of W. Patrick Jennings at 10:00 A.M. on March 15, 1973 that was duly transmitted in the attached letter to the Speaker of the House of Representatives. The Clerk of the House is now obliged to await such action as the House in its wisdom may see fit to take prior to taking any further action on said Notice of Taking of Deposition.

With kindest regards, I am

Sincerely,

W. PAT JENNINGS,  
Clerk, House of Representatives.

[In the U.S. District Court for the District of Columbia, Civil Action No. 2379-72]

NOTICE OF TAKING OF DEPOSITION OF W. PATRICK JENNINGS, CLERK, U.S. HOUSE OF REPRESENTATIVES

Common Cause, et al. Plaintiffs v. W. Patrick Jennings, Clerk, U.S. House of Representatives, et al., Defendants.

Notice is hereby given that Plaintiffs will at the hour of 10:00 a.m. on March 15, 1973, at the office of Mitchell Rogovin, 1905 N Street, N.W., Washington, D.C. 20036, take the deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives, Washington, D.C. 20515, as if under cross-examination, for purposes of discovery, to be read as evidence in the trial of this action, and for all other purposes allowed under the Federal Rules of Civil Procedure.

The above mentioned Mr. Jennings is hereby requested to produce the following letters, correspondence, documents, records or other writings for inspection and copying:

A. All letters, correspondence, documents, records or other writings (excluding official statements of organization and reports of receipts and expenditures filed under the Federal Election Campaign Act of 1971) which evidence communications to and from the following organizations and the officers, employees and agents thereof:

(1) The Machinists Nonpartisan Political League, an affiliate of the International Association of Machinists and Aerospace Workers;

(2) The Arkansas Committee on Political Education;

(3) The David Pryor for Senate Committee;

(4) The Communications Workers of America COPE Political Contributions Committee;

(5) The Banking Professional Political Action Committee (Bank PAC);

(6) The Builders Political Campaign Committee, an affiliate of the National Association of Home Builders;

(7) The General Telephone Employees Good Government Club;

(8) The Republican Congressional Boosters Club;

(9) The Democratic Congressional Campaign Committee;

(10) The Democratic Senatorial Campaign Committee;

(11) The National Republican Senatorial Campaign Committee;

(12) The National Republican Congressional Committee;

(13) National Committee to Reelect a Democratic Congress.

B. All letters, correspondence, documents, records or other writings, internal or otherwise, which evidence communications by and between you and your staff regarding earmarked contributions.

C. All letters, correspondence, documents, records or other writings which evidence communications to and from you, your employees and agents, and Francis Valeo, Secretary of the Senate, Phillip Hughes, Director, Office of Federal Elections, U.S. General Accounting Office, and their employees and agents.

D. All letters, correspondence, documents, records or other writings which evidence communications to and from you, your employees and agents, and any individual or organization regarding earmarked contributions.

Mitchell Rogovin, Arnold & Porter, 1905 N Street, N.W., Washington, D.C. 20036; Kenneth J. Guido, Jr., 2030 M Street, N.W., Washington, D.C. 20036; Fred Wertheimer, 2030 M Street, N.W., Washington, D.C. 20036, Attorneys for Plaintiffs.

[In the U.S. District Court for the District of Columbia, Civil Action No. 2379-72]

CERTIFICATE OF SERVICE

Common Cause, et al. Plaintiffs v. W. Patrick Jennings, Clerk, U.S. House of Representatives, et al., Defendants.

I certify that I have caused to be served copies of the foregoing Notice of Taking Deposition of W. Patrick Jennings, Clerk, U.S. House of Representatives, by hand delivering it to the attorneys for Defendants, and upon the Defendants, at the ad-

dressess listed below this 13th day of March 1973.

Mitchell Rogovin, Arnold & Porter, 1905 N Street, N.W., Washington, D.C. 20036, Attorney for Plaintiffs.

Cornelius B. Kennedy, Kennedy & Leighton, 888 17th Street, N.W., Washington, D.C. 20006; Paul E. Treusch, 2617 O Street, N.W., Washington, D.C. 20007, Attorneys for Defendant Francis Valeo.

Bruce E. Titus, Department of Justice, Room 3337, Washington, D.C. 20530; David J. Anderson, Department of Justice, Room 3618, Washington, D.C. 20530, Attorneys for Defendant W. Patrick Jennings.

STATEMENT ON THE INTRODUCTION OF A BILL PERMITTING POSTAL WORKERS THE RIGHT TO STRIKE UNDER THE POSTAL RE-ORGANIZATION ACT

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

Mr. NIX. Mr. Speaker, the Congress of the United States has waited patiently for the Postal Service to make a success of its new status. We have all received complaints as to the slowness of mail delivery.

There is an additional issue that the Congress must face and soon. Negotiation of a labor contract has in the past taken a long time. Time is of the essence in labor negotiations because the longer negotiations take, the greater the danger of wildcat strikes.

Therefore, I think the time has come, if we are to continue with the Postal Corporation-type setup, to regularize postal collective bargaining by providing, in limited circumstances, for the right to strike.

We all saw a few years ago that legislation forbidding a postal strike did not prevent such a strike from taking place. Legislation providing for the right to strike at the same time will not guarantee that a strike will take place. It only means that if a strike occurs, it can be settled speedily because those with whom the Postal Service must negotiate will not be in jail or subject to criminal penalties.

Those who oppose such a measure have a remedy. They can press for the repeal of the Postal Reorganization Act and thus restore Congress' role in the setting of the pay of Government workers. Logic compels the conclusion that if there is to be collective bargaining there must be the right to strike. If there is not to be collective bargaining in the Postal Service, we must restore the role of Congress in setting pay rates.

My bill, as well as similar bills introduced by members of the Committee on Post Office and Civil Service, fits in a necessary piece in the postal reorganization picture. I hope that the Congress will support this or a similar measure.

CONFERENCE REPORT ON H.R. 4278,  
TO AMEND THE NATIONAL  
SCHOOL LUNCH ACT

Mr. PERKINS submitted the following conference report and statement on the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level

budgeted for fiscal year ending June 30, 1973:

CONFERENCE REPORT (H. REPT. NO. 93-76)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973, having met, after full and free conference, having agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

CARL D. PERKINS,  
AUGUSTUS F. HAWKINS,  
PATSY T. MINK,  
LLOYD MEEDS,  
IKE F. ANDREWS,  
WILLIAM LEHMAN,  
ALBERT H. QUIE,  
JOHN M. ASH BROOK,  
ALPHONZO BELL,  
EDWIN B. FORSYTHE,

Managers on the Part of the House.

HERMAN E. TALMADGE,  
JAMES B. ALLEN,  
HUBERT H. HUMPHREY,  
CARL T. CURTIS,  
ROBERT DOLE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment would include in the determination of the shortfall of USDA commodities for which compensation is to be provided, commodities delivered under the authority of section 416 of the Agricultural Act of 1949.

The amount of commodities from all sources initially programmed for donation was \$313.7 million. Subsequently, the Department revised the program level to \$307.6 million. Of this revised amount, \$64.3 million was programmed from section 6 of the National School Lunch Act, \$86.5 million was programmed from section 32 of the Act of August 24, 1935, and \$156.8 million was programmed from section 416 of the Agricultural Act of 1949. The total amount programmed was designed to provide approximately 7 cents per lunch. As of February 16, 1973, only \$51.5 million worth of commodities had been donated from section 6, \$47.3 million from section 32, and \$100.6 million from section 416. The Senate amendment would assure that the full \$313.7 million initially programmed for donation, and the 7-cents-a-meal average anticipated by school food service authorities, will be donated in either commodities or cash.

CARL D. PERKINS,  
AUGUSTUS F. HAWKINS,  
PATSY T. MINK,  
LLOYD MEEDS,  
IKE F. ANDREWS,  
WILLIAM LEHMAN,  
ALBERT H. QUIE,  
JOHN M. ASH BROOK,  
ALPHONZO BELL,  
EDWIN B. FORSYTHE,

Managers on the Part of the House.

HERMAN E. TALMADGE,  
JAMES B. ALLEN,  
HUBERT H. HUMPHREY,  
CARL T. CURTIS,  
ROBERT DOLE,

Managers on the Part of the Senate.

Mr. PERKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 4278) to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, will the gentleman from Kentucky tell the Members what is in the conference report?

Mr. PERKINS. I certainly will.

Mr. Speaker, the bill as passed by the House was amended by six words in the other body. These words authorized an expenditure of funds already budgeted under section 416 of the Agricultural Act of 1949. Those funds will now be made available to the local school boards because of the inability of the Department to get the commodities there.

In other words, it is for the purpose of requiring the Department to spend all the funds budgeted by it for the purchase of commodities. The local school boards will now be able to spend all these funds for the purchase of commodities.

Mr. GERALD R. FORD. May I ask the gentleman further, did the minority Members of the House agree to the conference report?

Mr. PERKINS. All of them agreed, without any dissension whatsoever.

Mr. GERALD R. FORD. Does the conference report add any expenditures as far as the House version is concerned?

Mr. PERKINS. It does not add any expenditure of funds other than the funds already appropriated or programmed.

Mr. Speaker, the conference report on H.R. 4278, which is before the House, will provide during the current fiscal year, donations in cash, in lieu of U.S. Department of Agriculture commodity donations to the school food service programs, if the value of commodity donations during fiscal year 1973 is less than 90 percent of the value of commodities budgeted and programmed. H.R. 4278 passed the House on March 5 by a vote of 352 to 7, and by a voice vote in the other body.

This legislation provides for no additional expenditure of funds beyond the amount initially allocated in the budget for commodity purchases by the Department of Agriculture. This figure for fiscal 1973 was \$313.7 million. As of February 16, 1973, donations from three purchase programs, section 6 of the School Lunch Act, section 32 of the act of August 24, 1935, and section 416 of the Agricultural Act of 1949, totaled \$205.1 million, a shortfall of \$108 million. H.R. 4278 will allocate to the States on April 15, the estimated shortfall that exists on March 15, 1973.

The funds will then be distributed by the States to the schools to pay for agri-

cultural commodities and other foods purchased for use in their food service programs.

1973 has been an unusual year in agricultural marketing, and schools have not received such commodities as beef, pork, cheese, fruits, and vegetables, in amounts sufficient to aggregate 7 cents per meal in total commodities. The shortages have endangered the stability of the school feeding programs, which have depended upon the support of 7 cents per lunch in commodities, an amount that was officially promised to the schools by the Department of Agriculture in July 1972.

This is an urgent measure. In the absence of its passage, school lunch programs will have to reduce the nutritional quality of the meals served to children, increase prices to paying children, and curtail the service of free lunches to needy children. I, therefore, urge the adoption of the conference report.

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CREATING SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 279 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 279

*Resolved*, That a special committee of five members be appointed by the Speaker of the House of Representatives from March 1, 1973, through June 6, 1973, to investigate and report to the House not later than June 15, 1973, with respect to the following matters:

(1) The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

(2) The amount subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio and television time, communications media, office space, moving picture films, and automobile and any other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1972 and during the period from March 1, 1973, through June 6, 1973, to which a candidate for the House of Representatives is to be nominated or elected.

(3) The use of any other means or influence (including the promise, or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidate.

(4) The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor

union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

(5) The violations, if any, of the following statutes of the United States:

(a) The Federal Election Campaign Act of 1971.

(b) The Act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, chapter 120, Public Law 101, Eightieth Congress, first session, referred to as the Labor-Management Relations Act, 1947.

(d) Any statute or legislative act of the United States or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5 of the Constitution of the United States.

(6) Such other matters relating to the election of Members of the House of Representatives in 1972 and during the period from March 1, 1973, through June 6, 1973, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which, in its opinion, will aid the House of Representatives in enacting remedial legislation, or in deciding contests that may be instituted involving the right to a seat in the House of Representatives.

(7) The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

(8) The Clerk of the House of Representatives is authorized and directed when carrying out assigned responsibilities under the Federal Election Campaign Act of 1971 that prior to taking enforcement action thereunder, to initiate a request for consultation with and advice from the committee, whenever, at his discretion, election campaign matters arise that are included within sections (1) through (6) above and may affect the interests of the House of Representatives.

(9) The committee is authorized and directed to consult with, advise, and act in a timely manner upon specific requests of the Clerk of the House of Representatives either when he is so acting on his own motion or upon a written complaint made to the Clerk of the House under oath setting forth allegations of fact under the Federal Campaign Act of 1971. The committee, or a duly authorized subcommittee thereof, when acting upon the requests of the Clerk shall consult with him, shall act jointly with him, and shall jointly investigate such charges as though it were acting on its own motion, unless, after a hearing upon such complaint, the committee, or a duly authorized subcommittee thereof, may be either in executive or

in public sessions, but hearings before the committee when acting jointly shall be public and all order and decisions and advice given to the Clerk of the House of Representatives by the committee or a duly authorized subcommittee thereof shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods during the period from March 1, 1973 through June 6, 1973, of the Ninety-third Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

(10) The committee is authorized and directed, when acting on its own motion or upon a complaint made to the committee, to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper. The committee or a duly authorized subcommittee thereof is authorized and directed when acting upon the specific request of the Clerk of the House to render advice promptly in order to give the Clerk of the House of Representatives the prior benefits of its advice and in order that he may then take such official action under the Federal Election Campaign Act of 1971 as the Clerk of the House of Representatives deems to be proper.

(11) Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refused to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of the subcommittee conducting portions of said investigation, the public interest will be best served by filing of said interim reports, and in no event shall the final report of said committee be filed later than June 15, 1973, as hereinabove provided.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING), is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 279 provides for the standard special committee of the House to deal with certain problems that may or may not arise for determination. Its passage at this time is made very necessary by the fact that there are two special elections to fill House vacancies, one in Louisiana on the 20th of March, and one in Illinois on the 5th of June. The resolution is drawn to meet the problems that are involved in those, if any. It is entirely a routine resolution, and I know of no opposition to it.

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

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

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

Will the gentleman please refresh my memory as to whether this committee requires an appropriation and whether it has a staff?

Mr. BOLLING. It may involve a small expenditure of funds. The distinguished majority leader has been the chairman for some time. I served on it once a long time ago. This committee is brought into being in June or July of the even numbered years. It has some staff expenditure, but it is a very limited amount, and the committee goes out of existence as soon as it has complied with its mandate.

There is going to be a new chairman this time, and I believe they might need some staff, but it would be a minimal amount. Frankly, I do not know the amount involved, but I believe that my friend, the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) might be able to answer the question.

Mr. O'NEILL. The staff that they had when the committee went out of existence was a majority counsel and a minority counsel, and one girl in the office. That had been the staff since the committee went into existence. At any time they need an investigator, they hire him on a per diem basis. That has been the custom of the committee throughout the years.

Mr. GROSS. There is no requirement for a large staff; is that correct?

Mr. O'NEILL. And there is daily work with the committee. Under the law that we passed last year the Clerk of the House has to make reports to the committee. There are at the present time I do not know how many Members of Congress but many Members of Congress who have not closed their campaign committees yet. The law allows them to continue their filing. Of course, they must file once a month, and as they file, it is reviewed by the Clerk and the committee so as to constantly make a record of all expenditures and things of that nature.

There are pending, I believe, at the present time many suits that are going on throughout the Nation since the last election in which this committee is involved.

Mr. GROSS. I thank the gentleman from Missouri as well as the gentleman from Massachusetts.

The SPEAKER. The gentleman from California is recognized.

Mr. DEL CLAWSON. Mr. Speaker, House Resolution 279 creates the Special Committee To Investigate Campaign Expenditures as has been done each election year since the Legislative Reorganization Act of 1946.

The language is identical to the resolution adopted in the 92d Congress, House Resolution 819, except that the dates are changed.

The special committee will consist of five members appointed by the Speaker, from March 1, 1973, through June 6, 1973. They will report back to the House not later than June 15, 1973.

The special committee is being set up at this time to deal with special elections in Alaska on March 6, Louisiana on March 20, and Illinois on April 17 and June 5.

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

Mr. BOLLING. 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.

#### EXTENDING PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 295 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 295

*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. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorization for a one-year period. 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 Public Works, 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.

#### CALL OF THE HOUSE

Mr. BAKER. 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. 49]

Abzug	Fish	Minshall, Ohio
Anderson, Ill.	Foley	Mitchell, N.Y.
Ashbrook	Ford	Nichols
Badillo	William D.	O'Brien
Bafalis	Gettys	Owens
Bell	Gibbons	Pickle
Bergland	Gray	Pike
Blaggi	Griffiths	Powell, Ohio
Blatnik	Gunter	Price, Tex.
Bray	Hanna	Rarick
Brotzman	Harsha	Rhodes
Burke, Calif.	Harvey	Rooney, N.Y.
Chisholm	Hebert	Rosenthal
Clark	Hinshaw	Rousselot
Collins	Holifield	St Germain
Corman	Hosmer	Teague, Calif.
Cronin	Jones, Okla.	Teague, Tex.
Dellums	Karth	Thone
Dent	King	Waldie
Dickinson	Koch	Wyatt
Dingell	Kuykendall	Young, Fla.
Esch	Leggett	
Eshleman	McEwen	

The SPEAKER. On this rollcall 366 Members have recorded their presence by electronic device, a quorum.

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

#### APPOINTMENT AS MEMBERS OF SPECIAL COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

The SPEAKER. Pursuant to the provisions of House Resolution 279, 93d Congress, the Chair appoints as members of the Special Committee To Investigate Campaign Expenditures the following Members of the House: Mr. SMITH of Iowa, chairman; Mr. LEGGETT, of California; Mr. LONG of Louisiana; Mr. DICKINSON, of Alabama; and Mr. DEVINE, of Ohio.

#### PERSONAL EXPLANATION

Mr. GUNTER. Mr. Speaker, I would like the RECORD to show that I was unavoidably detained in my office on business and just missed the last quorum call. I came to the floor immediately following the quorum call.

#### EXTENDING PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

The SPEAKER. The gentleman from Louisiana is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 295 provides for an open rule with 1 hour of general debate on H.R. 2246, which is a bill to extend the Public Works and Economic Development Act of 1965 through fiscal year 1974. The purpose of the act is to provide Federal assistance, in cooperation with the States and localities, to enable areas and regions suffering economic distress to help themselves to develop the planning and financial capability for long lasting economic improvement and the creation of permanent jobs.

In October 1972, Congress passed H.R. 16071, which extended the economic development programs through fiscal year 1974. The President vetoed this bill subsequent to the adjournment of Congress.

In his 1974 budget message the President has recommended that other programs such as the urban community development special revenue sharing proposal ought to carry out the work now authorized by the Public Works and Economic Development Act. However, this revenue sharing proposal has not been acted on by Congress, and even if enacted by Congress, could not take effect until July 1974.

Since authorization for existing economic development programs terminates on June 30, 1973—a full year before revenue sharing might begin—there is obviously compelling reason to continue the existing legislation for a year in order

to retain the momentum of current economic development programs and to provide orderly transition to any new programs the Congress may establish.

The total funding authorized by H.R. 2246 is \$1,222,500,000 for fiscal year 1974.

Mr. Speaker, I urge adoption of House Resolution 295 in order that we may discuss and debate H.R. 2246.

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

Mr. Speaker, House Resolution 295 provides an open rule with 1 hour of general debate for the consideration of H.R. 2246 to extend the Public Works and Economic Development Act of 1965.

The purpose of H.R. 2246 which is made in order by this resolution is to extend the Public Works and Economic Development Act for a 1-year period through fiscal year 1974.

The Public Works and Economic Development Act was originally enacted in 1965 to provide Federal assistance to areas that had lagged behind the growth of the rest of the Nation and were suffering from high unemployment and underemployment. Authorizations under the present law terminate on June 30, 1973.

In October 1972, Congress passed H.R. 16071, which extended the economic development programs through fiscal year 1974. The President vetoed this bill subsequent to the adjournment of Congress.

The total funding authorized by this bill is \$1,222,500,000 for fiscal year 1974, the same amount currently authorized for fiscal year 1973.

By way of comparison, the actual cost of the economic development program in the current fiscal year is estimated at \$367,403,000. The Department of Commerce, Council of Economic Advisers, Small Business Administration, and Office of Management and Budget recommend against enactment of this bill.

The President in his 1974 budget message has recommended that other programs such as the Rural Development Act, the Small Business Act, the Housing and Urban Development Act, and the urban community development special revenue-sharing proposal should carry out the work now authorized by the Public Works and Economic Development Act.

For example, the Rural Development Act gives the Department of Agriculture the primary responsibility for rural development activities, including water and other community facility projects which have represented over half of the past EDA funding. The President's 1974 budget provides \$678,000,000 for Agriculture's new activities under the Rural Development Act, an increase of \$348,000,000 over the fiscal year 1973 obligation level.

In addition, communities of all sizes will be assisted in meeting their waste disposal needs in 1973 and 1974 through the additional \$5,000,000,000 already made available for grants for waste disposal facilities, as authorized by the Federal Water Pollution Control Act Amendments of 1972.

These are just two examples of situations where EDA programs overlap and

duplicate other Federal community development programs.

In addition to the reasons mentioned above, the administration is opposed to this bill because achievements of the EDA programs have fallen far short of expectations and EDA programs involve the Federal Government in local activities better left to local control.

In the committee report, additional views were filed by the gentleman from Ohio (Mr. HARSHA), the gentleman from New Hampshire (Mr. CLEVELAND), and the gentleman from Arkansas (Mr. HAMMERSCHMIDT). The gentlemen presented the administration's views opposing enactment of the bill, but conclude that they support the bill themselves.

They do object to one section of the committee report as being improper. The language in question directs the Economic Development Administration to solicit views of Federal agencies, trade and labor organizations prior to approval of a loan to any firm or industry under section 202 of the Economic Development Act. The Members filing additional views note that this issue was not discussed by the committee, and conclude that it "is in violation of the committee's intent to take no action in regard to this legislation other than to extend for 1 year the existing Public Works and Economic Development Act."

Given this set of circumstances, the tremendous increase in authorized amount over this fiscal year's estimated costs, an increase of \$855,097,000, the opposition of the Department of Commerce, Council of Economic Advisers, Small Business Administration, and the Office of Management and Budget, the President's message that other agencies can more efficiently and properly carry out the work now authorized by the Public Works and Economic Development Act, the admitted failure of EDA programs to meet expectations, and the desire of the administration, and I would hope, the desire of the Members of this body to place local projects under local control, prompt me to urge every Member to vote against H.R. 2246, the Public Works and Economic Development Act.

The rule, however, under which the legislation is to be considered is in order and I recommend its adoption.

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

Mr. LONG of Louisiana. Mr. Speaker, I have no further 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. JONES of Alabama. 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. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period.

The SPEAKER pro tempore (Mr. MATSUNAGA). The question is on the motion offered by the gentleman from Alabama.

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. 2246, with Mr. ADAMS 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 Alabama (Mr. JONES) will be recognized for 30 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama (Mr. JONES).

Mr. JONES of Alabama. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, we bring to the House today H.R. 2246, which amends the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period.

This act provides Federal assistance in cooperation with the States to communities, areas, and regions in the United States that have fallen behind our Nation's mainstream of economic growth. The purpose of the act is to assist areas in economic distress. These are areas both rural and urban suffering from high unemployment, underemployment, and outmigration. The act emphasizes long-range planning for economic growth and provides technical assistance, public facilities grants and loans, business loans and guarantees, and other assistance as tools to implement these plans.

H.R. 2246 simply extends the programs authorized by the Public Works and Economic Development Act for an additional fiscal year beginning July 1 of this year. The moratorium on the designation of redevelopment areas is also continued through this same period.

Current authorizations of existing funding are continued for an additional year as follows:

Section 1: \$800 million is authorized for grants for public works and development facilities under title I.

Section 2: \$170 million is authorized for public works and development facilities loan programs under title II.

Section 3: \$50 million is authorized for technical assistance and research under title III.

Section 4: \$50 million is authorized for the growth centers and for bonuses for economic development districts under title IV.

Section 5: \$152.5 million is authorized for the Regional Action Planning Commissions under title V.

This brings the total funding authorized in the bill to \$1,222.5 million.

Section 6 extends the moratorium on the de-designation of redevelopment areas, thus continuing eligibility for assistance to those areas.

The committee has noted the unreliability of the unemployment statistics used for de-designation of redevelopment areas. We feel investigations now underway and coming field hearings will develop better methods for determining areas eligible for assistance. Until such methods are developed, it is unfair to

de-designated areas based on such statistics.

Our Subcommittee on Economic Development of the Committee on Public Works held 2 days of hearings on February 27-28 at which time a cross-section of views were obtained from a variety of witnesses. Testimony was received from the Secretary of Commerce, Members of Congress, Governors, mayors, as well as other State and local officials. The length of these hearings was shortened because of the comprehensive hearings held on this legislation last March and April when the committee held over 6 weeks of hearings and heard testimony from 125 witnesses. With the exception of the opposing views of the administration, there was overwhelming and universal support for the programs established by this legislation.

Consideration of this legislation has become necessary because of a veto by the President of H.R. 16071, passed by the Congress last year. This bill extended the life of the economic development programs through fiscal year 1974, made improvements in existing programs, authorized funding for completed regional plans, and added new provisions to assist individuals and businesses who were adversely affected by environmental orders. The President's veto came subsequent to the adjournment of the Congress.

In addition, the President, in his 1974 budget message, has requested that the programs under the Public Works and Economic Development Act be phased out. Under the heading "Economic Development Assistance," the budget message proposes:

These lower priority programs are being curtailed in 1973 and terminated in 1974 as part of the Government-wide effort to reduce nonessential expenditures. Terminating these programs now is required to avoid unnecessary inflationary pressures during the next 2 years or more.

The budget suggests incorrectly that other programs such as the Rural Development Act, the Small Business Act, the Housing and Urban Development Act, and special revenue-sharing proposals can do the same job as programs now authorized by the Economic Development Act. Nothing thus far recommended will replace the programs under this act. None can as effectively help us to realize our goal to maintain the national economy at a high level and avoid wasting invaluable human resources.

The administration, in their statement printed in the additional views of the committee report on this bill, indicated opposition because of their belief that the economic development programs have fallen short of their expectations. They also indicated there is overlap and duplication.

There are probably no other Federal programs that have been analyzed and evaluated as extensively as the economic development programs administered by the Department of Commerce. Evaluations have been conducted over the last several years by outside consultants, the Economic Development Administration, and the Economic Development Subcommittee. None of the evaluations to my knowledge have indicated any overlap or

duplication with other Federal programs. As to the program's effectiveness, in his statement before the committee just last April, Secretary Robert Podesta advised that the public facilities grant program is estimated to have made possible some 330,000 permanent jobs in over 1,460 communities across the country. He estimated that the business loan program was responsible for locating over 38,000 new direct jobs in distressed areas.

A conservative estimate taking into consideration the jobs created and others that had been retained by the technical assistance program and the regional commission program would bring the figure to over half a million jobs located by these programs since the enactment of this legislation in 1965. In the face of this strong evidence from these studies, I would disagree that this has been an ineffective program in locating permanent employment in distressed areas.

The existing development legislation must be continued until adequate improved legislation can be enacted to fill the vital job now being performed by this legislation in assisting communities in improving their economic environment. This legislation has the bipartisan support of the Committee on Public Works, was reported out of committee unanimously, and merits the same bipartisan endorsement of the House.

Mr. WYLIE. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The gentleman from Alabama has consumed 5 minutes.

Mr. JONES of Alabama. I yield myself 2 additional minutes.

I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

On page 2 of the report which accompanies this bill it states:

The results of such evaluations have proven the effectiveness of these programs in stimulating the economic growth of the target areas and promoting permanent jobs for these areas.

Does the gentleman have an estimate of how many permanent jobs have been created as a result of this program?

Mr. JONES of Alabama. The best calculation we have is it has encouraged some half million new jobs.

Mr. WYLIE. That is commendable. Are those full-time jobs?

Mr. JONES of Alabama. Most of them have been full-time jobs. They have varied from area to area, but our calculations show that they have been full-time jobs.

Mr. WYLIE. Will the gentleman tell me how much money has been spent on the program since its inception?

Mr. JONES of Alabama. We have authorized approximately \$7 billion. If the gentleman will turn to the report, on page 5, the gentleman will see the total amounts that were authorized since 1966 are \$7,325,000,000. Of that authorization we have spent \$2,433,000,000.

Mr. WYLIE. I thank the gentleman.

Mr. BLATNIK. Mr. Chairman, the bill we are considering today, H.R. 2246, would extend the Public Works and Eco-

nomic Development Act of 1965 for 1 year.

The bill provides a simple 1-year extension of the existing program and makes no changes in the existing legislation.

It is imperative that the Public Works and Economic Development Act be extended for another year. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas experience 20 and even 30 percent unemployment.

The notion has been advanced that we should not extend this act because of a concern for the level of Government spending. This would be false economy indeed.

With unemployment and welfare payments running at about \$24 billion per year, it is obvious that what this Nation needs is greater economic development efforts, not less. And this, creating jobs, is what the Economic Development Administration and regional commission programs do.

In fact, evidence presented before the Public Works Committee during hearings last year indicates that EDA and the regional commissions have created more than half a million jobs since they began work 7 years ago. The agencies have created these jobs in areas of high unemployment—the very toughest areas to work in—and they have done it with a relatively small amount of funds.

There can be no question but that EDA and the regional commissions have done an effective job of bringing economic growth and opportunity to people who have long been denied adequate jobs and income.

Nevertheless, the President has recommended in his budget that EDA and the regional commissions be phased out when existing authorizations expire on June 30 of this year.

The programs the President has recommended to take the place of EDA and the regional commissions are simply not adequate to do the work done by the existing programs. For example, the Rural Development Act programs are not yet operating, and urban community development revenue sharing may never even pass the Congress.

It would be folly to permit existing programs and agencies to be discontinued when it is very clear that these programs are greatly needed and that no satisfactory replacements have been proposed, and there will be no reduction in Federal spending—the issue is, on a short-term basis shall we spend to keep people on relief, or unemployment compensation—pay for not working—or give them meaningful jobs.

There may well be better ways of stimulating job development than those contained in the existing legislation, and the Public Works Committee is currently conducting field investigations in search of better ways to bring economic opportunity to the distressed areas of our Nation.

Our tentative conclusion is that what

we really need is a carefully constructed set of policies at the Federal, State, and local levels which can influence the direction and extent of our Nation's growth.

But such legislation cannot be developed overnight and, until it is completed, the valuable work of EDA and the regional commissions must continue. It is the responsibility of this Congress to see that it does. We can best assure that the much needed economic development effort continues without interruption by passing H.R. 2246 immediately.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 5 minutes.

I join with our distinguished chairman in support of H.R. 2246, to extend for 1 year the Public Works and Economic Development Act of 1965, as amended. I support the extension, because this act has allowed the greatest flexibility of any Federal program in local decisionmaking for rifleshot aid to economically distressed areas of the country. EDA is a Federal-local partnership in action; this valuable planning and technical assistance vehicle has proven itself as a responsible vehicle for delivering the Federal dollar to meet the local need. It is totally coordinated with the needs of the local community.

During this 1-year extension of the Economic Development Act, the Subcommittee on Economic Development of the House Committee on Public Works has planned a series of field investigations and hearings, to bring Washington to the people, to seek out ways to improve existing development legislation. If the subcommittee determines that the Nation's communities will be better served by changes in the existing law, then these changes will be proposed and considered.

The administration has expressed opposition to H.R. 2246, stating that such an extension of the Economic Development Act is neither necessary nor desirable. The administration wishes to minimize duplication of effort in community development. While I agree with efforts to minimize duplication and pursue a policy of streamlined domestic development, it is an error to dismantle one program, and to destroy the expertise and experience of that program, only to reimplement and matriculate a new fleet of employees under another program; namely, the Rural Development Act of 1972. Surely the avoidance of duplication of personnel will apply here as well.

In testimony before our subcommittee on February 27, administration spokesmen gave no evidence to support this move from economic development to rural development. Much was said about minimizing duplication and the elimination of inefficiency; however, the question remains unanswered if, indeed, duplication exists.

On August 17, 1972, during consideration of the conference report on the Rural Development Act of 1972, H.R. 12931, Senator TALMADGE, chairman of the Senate Agriculture and Forestry Committee stated:

We seek here not to duplicate or supersede these other programs . . . (Small Business Administration, the Economic Development

Administration, Housing and Urban Development, and the Environmental Protection Agency) . . . but to supplement and strengthen them. The bill specifically provides for cooperative participation in joint loans and grants with those other agencies.

Each program has a purpose, each program is designed to aid in development.

Economic development is a long-term effort, requiring smooth implementation of all phases of the brick and mortar building process and the more comprehensive human development beyond the bricks. We cannot allow these stop-start gyrations of program switching and policy changing from one program to another. Such changes deflates many years of efforts to bring about economic vitality to economically lagging areas. Substituting a loan program for a grant program will simply not continue aid to distressed areas.

If I may speak provincially, my State of Arkansas is a prime example of this Federal-local partnership at work. The article appearing in the Washington Post on Sunday, March 11, 1973, entitled "End of Ozark's Out-Migration May Signal National Trend," clearly tells the success story of EDA's efforts on behalf of this region of the country.

The article notes a changing trend in the recent migration from the rural to urban areas of the country. The article goes on:

Reasons for this changing tide vary by areas, of course, but the Arkansas experience—to examine one dramatic example—suggests that young people will indeed stay "down on the farm" if they can find a job other than farming.

The biggest jump in the 7.7-percent increase in population in Arkansas was in the age group 20 to 24, where a gain of 43.3 percent was recorded.

Experts attribute this reversal to the location of new industries as well as the developed tourism business. The location of new industries is no accident; they came because the basic facilities were available; water-sewer systems, industrial parks—the required social overhead capital necessary for stimulating further development. Much of this aid in development has come through EDA and the development districts, authorized through EDA's statutes. I am proud of the efforts of these development districts in aiding with planning and implementation of projects serving these designated areas, just as I am proud to serve these able and competent citizens of the congressional district which I represent. I will make every effort to continue this type of Federal-local partnership.

I feel that the best interests of the Nation will be served by the action of the Public Works Committee to extend this act for an additional year at the same authorization level. I, therefore, urge passage of H.R. 2246.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, I take the floor today to support a 1-year extension of the Economic Development Administration and regional commis-

sions to assure continuity in Federal support for organized development activities in our disadvantaged communities. As a cosponsor of H.R. 2246, I believe this extension should give us in the Congress ample opportunity to review extensively the program now in operation and to evaluate any alternatives proposed. In this way, any changes can be introduced over a period of orderly transition.

I know this position differs from that of the administration and regret that fact. I fully share the administration's objective of substituting revenue sharing for categorical grants, decentralizing decisionmaking and restoring the authority of States and local governments over their own destiny. But this is not the alternative offered us here today.

#### A BIRD IN THE HAND

We are apparently being asked to swap a bird in the hand for nothing in the bush.

The administration argues that EDA should be phased out, because the Rural Development Act of 1972 transferred responsibility for development of non-metropolitan areas to the Agriculture Department. Presumably economic development would be funded by the Agriculture Department and other agencies.

I have looked at the budget, examined the administration's proposals and questioned the Secretary of Commerce, Mr. Dent, when he appeared before our committee. Following this, I must conclude that they have not made their case.

The Agriculture Department's program, as proposed by the administration, is almost pure loans.

Proposed funding for fiscal 1974 under the Rural Development Act is: \$200 million in business and industrial development guaranteed loans; \$10 million in community facility grants; \$100 million in community facility insured loans; \$10 million in grants for nonagricultural pollution abatement; \$5 million in grants for extension and research; and \$8 million for land-use inventorying and monitoring.

Contrast this with this year's EDA appropriation of \$367 million, of which \$166.5 million alone goes for title I public works and development facilities grants.

It simply makes no sense to wash out EDA and its grants. These are absolutely essential to small communities, which cannot finance needed public facilities through loans alone.

This was the reason why I recently voted to restore the Agriculture Department's rural water and sewer grant program under the Farmers Home Administration, after the funds were impounded. It is worth noting that the Rural Development Act raised the sewer and water grant authorization from \$100 to \$300 million. That is the same program the administration wants to fund solely through loans while arguing that the Rural Development Act justifies wiping out EDA.

#### ECONOMY IS NOT THE ISSUE

Now, I am for economy and can appreciate the administration's problem in keeping spending under control. But

within overall spending limits at the Federal level, we must fairly allocate the limited funds according to need. We must see that all our people get a fair shake. The Economic Research Service in the Agriculture Department last year documented that fact that the towns, smaller cities, and rural areas we are dealing with here get shortchanged on a variety of Federal programs.

Two years ago, the administration seemed to recognize the needs we are trying to meet when the President proposed special rural revenue sharing. He recommended ending a number of programs, including EDA, the Appalachian Regional Commission and the other regional commissions, and water and sewer grants. But their funding would have been grouped in special revenue sharing, with an added \$179 million in new money for a total of \$1.1 billion.

#### RURAL DEVELOPMENT NOT A SUBSTITUTE

The administration now proposes special revenue sharing, but not special rural revenue sharing. I submit that the Rural Development Act is totally inadequate as a substitute for either special revenue sharing or for existing programs. Appalachia, of course, continues for another year.

The Rural Development Act was never intended to. I participated in the House debate on the Rural Development Act and there was no suggestion of congressional intent to shift EDA or any other program to the Agriculture Department. The bill defined the Agriculture Department's role as:

Leadership and coordination within the executive branch and . . . responsibility for coordinating a nationwide rural development program utilizing the services of executive branch departments and agencies and the agencies, bureaus, offices and services of the Department of Agriculture in coordination with rural development programs of state and local governments.

The intent was equally clear from the legislative history in the Senate, where Chairman TALMADGE, of the Agriculture Committee, stated in presenting the conference report:

Mr. President . . . I wish to point out at this time that the bill before us does not duplicate . . . loans and grants available from Small Business Administration, Economic Development Administration, Department of Housing and Urban Development, and the Environmental Protection Administration.

We seek here not to duplicate or supersede these other programs but to supplement and strengthen them. The bill specifically provides for cooperative participation in joint loans and grants with these other agencies.

So we find that there is no real substitute proposed for EDA in terms either of grant funding or of authority.

#### USDA HAS NO EXPERIENCE

One further point: The Agriculture Department has absolutely no track record in performing the functions now carried out by EDA. While the Agriculture Department's Farmers Home Administration has proved to be one of the most cooperative and responsive agencies I have dealt with in its areas of expertise, it has none in many EDA-related areas.

In this connection, I was disturbed by the inability of Secretary Dent to answer

my questions concerning implementation of the Rural Development Act which he was supporting as a substitute before our committee. There is obviously a lack of coordination and consultation between Agriculture and Commerce. Moreover, I understand that the Agriculture Department still has not issued guidelines for its development program.

It is worth observing, too, that the Rural Development Act has not yet been funded for the current fiscal year. Secretary Dent's testimony listed \$300 million under the Rural Development Act for fiscal year 1973. This apparently represents loans for water and sewer which were enacted earlier.

It was also distressing to find the entire HUD 701 program of \$100 million listed among "Funds for Rural Development" in the Commerce Department testimony, since the program is not restricted to rural areas.

I supported the original Rural Development Act, and sought to strengthen it on the House floor by offering amendments based on my experience with the EDA program. There have been problems, and the regional commissions have been criticized, though often without justification based on experience in my own district.

I cosponsored this legislation to provide time for examination of alternatives, including experience under the Rural Development Act. I urge that we enact that legislation so that those alternatives can be considered with due deliberation.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

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

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, I would like to take this opportunity to offer some comments on the programs of the Economic Development Administration based upon both its activities in my congressional district and my service on the Public Works Committee which oversees the EDA.

Historically the First Congressional District of California has lived on a boom or bust economy. An economy in which the "good times" are good but always contain the possibility that they cannot last.

We have a comparatively narrow economic base. This situation has limited our ability to stabilize the economy and tax base for local and all levels of government.

Other factors, such as nearly annual flooding and natural disaster threats, have compounded the problem.

Now we are working on a wide variety of fronts to revitalize and diversify the Redwood Empire's economy to lend it strength and stability. We are trying to do this in a carefully planned and selective way in which economic development is solicited only when it is complementary to existing job-creating enterprises and to our bountiful natural environment.

To say that the Economic Development Administration has assisted us toward this goal would be a gross under-

statement. EDA has provided us opportunities which simply would not have existed without its support.

Let me describe two recent EDA projects in order to make this point "crystal clear."

Santa Rosa, Calif., is just on the periphery of the San Francisco Bay area. It faces growing population pressures and without foresight it could be the victim of the same urban sprawl which overtook areas to the south of San Francisco.

However, the city has carefully developed a master plan to forestall this possibility and to permit selective, stable economic growth. Last year Santa Rosa obtained a grant of \$672,000—which was matched by local funds—to construct water mains and sewer lines to serve an area planned for very select industrial use.

Simultaneously, while seeking the EDA grant, local officials successfully obtained a commitment from the Hewlett-Packard Co. to locate a branch office in the community just as soon as the public facilities could be completed.

The city and the company worked together very closely on a training program for new employees, on the design of the company's buildings, and on the nature of the facilities provided by the city.

The result of this could be a model for EDA programs. The city gained 700 jobs in 1 year at a facility which was carefully planned from an esthetic and environmental standpoint in which unemployed local residents were trained by the company for full-time jobs. Further, the potential for employment is estimated to be 3,000.

It pays to remember also that these jobs are in the private sector which generates income to the community rather than in the public sector which is subject to budgetary vagaries and absorbs local income from taxes rather than creating it.

The other example of EDA's effective work is in Crescent City, Calif., which faces the same economic problems as in Santa Rosa but which is geographically and commercially in an opposite situation.

Crescent City is isolated by being over 300 miles from a major city so it does not face population pressures but it is practically dependent upon a one industry—forest products—economy.

The people of Crescent City see tourism as a means to bring economic growth to the area. Crescent City is located near the Redwood National Park, it is between the beautiful Smith and Klamath Rivers which offer unequalled recreational opportunities.

When Crescent City applied for an EDA grant for a cultural and convention center under the public works impact program it found that even the 20 percent matching requirement would have strained the local budget. Therefore, a fund-raising campaign was staged in which the local people voluntarily contributed the entire amount of the matching requirement.

Today the cultural and convention center is a reality and 84 jobs were predicted for the construction of the proj-

ect but they are only the initial return from the investment. Crescent City will now have an additional resource with which to attract tourism. More tourism will mean more jobs.

Equally as important, however, is the fact that the community will also benefit greatly from this new facility for its own enrichment. Like the investment in Santa Rosa, EDA program investment in Crescent City will pay off in something more than jobs. It will help stabilize the economy and improve the quality of life in areas of chronic unemployment.

Five of the six counties in my congressional district are listed as economically depressed by EDA. Each has been effectively helped. I could describe other projects in Mendocino County such as the juvenile hall in Ukiah or a major business loan in Willits. Humboldt County has benefited greatly from a recent downtown redevelopment program partly sponsored by EDA in Eureka. Lake County is constructing an auxiliary county courthouse with EDA assistance.

During my service on the Public Works Committee, I have seen other communities benefit from these programs and it is for that reason that I am a cosponsor of the legislation we have before us today and why I urge its overwhelming support.

While I realize that the Rural Development Act of 1972 will help and that the administration is presenting the community development special revenue sharing as a possible alternative, I do not believe this combination will provide the type of "rifle approach—shot in the arm" the EDA program is designed to handle.

The result of this program experience has been the development in EDA of trained personnel who have the special community leaders in advancing their plans for strengthening their economies. Are these specialists to be dispersed to the four winds?

Another question that has not been thoroughly explored is the question of congressional jurisdiction. The House Public Works Committee is uniquely qualified to oversee the administration of economic development legislation. Our staff and our expertise has been honed over the many years we have been considering this subject. We gain additional knowledge through the fact that we have subcommittees specializing in transportation and water resources both of which are integral aspects of economic development. Additionally, the Public Works Committee is uniquely qualified to integrate EDA programs with our other committee jurisdiction responsibilities.

Then, too, there is the issue of a national growth policy. EDA did not pour its resources into already crowded urban areas and thereby create even greater crowding as many Federal agencies do. Quite properly, in my judgment, EDA consistently supported development efforts in areas which both needed and could effectively support quality economic growth. This policy has the beneficial effect of encouraging growth where it should take place rather than where inflationary pressures are so prevalent.

Mr. Chairman, much has been said about the need to phase out EDA to avoid overlap and duplication in Federal programs and to aid in directing the decision-making authority to the people at the local level. It is further stated that EDA is to be replaced by newer programs which are now being generated or which will be proposed.

The budget suggests replacing EDA's predominantly grant programs with predominantly loan programs. The grants that are eventually to surface in the economic development field are those to be offered by proposed revenue sharing plans. The communities of the Nation cannot develop their economies with proposed programs, and many are not financially able to avail themselves of Federal loans for this purpose.

It is suggested that SBA's expanded loan authority will compensate for the proposed phase out of EDA's loan program. How can this be accomplished when SBA has a loan ceiling of \$350,000 to any one firm while EDA averaged \$1.2 million per firm in fiscal year 1971 and \$1 million in fiscal year 1972?

It has also been suggested that the increased funding authority of the EPA will take up the slack of the proposed phase out of EDA's sewer grants. This is not too promising especially when we are already getting reports that economically lagging rural communities have attempted to obtain industrial sewage treatment grants to help produce badly needed jobs only to be told by EPA that currently all sewage treatment grants are being utilized for the correction of existing pollution problems and that sewage treatment grants which will aid in the creation of jobs must have a low priority at this time.

Those who have had experience with the program advise us that one of the strongest incentives to economic development has been the efforts and expertise of the economic development districts and the title V commissions. Planning and administrative money for these districts is being funded at a level of about \$5.5 million in fiscal year 1973. The Commissions have a funding level of about \$44 million for this fiscal year. And yet we are advised that this \$50 million in fiscal year 1973 is to be replaced by \$10 million in fiscal year 1974.

Thus it is difficult to understand how an existing grant and loan program with a proven record of success can be replaced by a loan oriented program with grants proposed to be added at some future date when special revenue sharing proposals are enacted. It would be far easier to understand how this proposed transition would take place if the proposed replacement programs were geared up and implemented.

The current answer is simple. We must extend the Public Works and Economic Development Act through fiscal year 1974. The committee needs this time to complete its review of the EDA programs and to make recommendations to the Congress as to future direction. In addition, perhaps at the completion of this time, some of the programs proposed to follow in the economic development field

will be enacted and implemented and can then be compared with the role being played by those programs now administered by EDA.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. GROVER).

Mr. GROVER. Mr. Chairman, I wish to stress the administration's opposition to H.R. 2246, which would extend through fiscal year 1974 authority for the Public Works and Economic Development Act of 1965.

President Nixon's budget for fiscal year 1974 provides for the termination of the Economic Development Administration's programs. The administration believes that the achievements of the EDA programs have fallen short of our expectations. It further believes that there is currently a wasteful duplication of effort with the already existing programs and with EDA.

There is, moreover, a need for direct, wherever possible, decisionmaking authority to the people in the localities, communities, and States to help make Government more responsive to their needs. There is no need for the strong Federal decisionmaking role in localized kinds of projects with which EDA has been involved.

It is the position of the administration that EDA programs duplicate other programs, and that the President's 1974 budget proposes the initiation or expansion of funding for those other programs which will provide increased assistance to States and local governments in meeting their needs. These other programs include the Rural Development Act, Water Pollution Control Act, Small Business Act, the Responsive Governments Act—which builds upon HUD's 701 program, manpower revenue sharing, and the proposed education revenue sharing, and better communities revenue sharing.

The new Rural Development Act is one program that is in many ways duplicative of EDA activities and which will provide increased assistance to rural communities. It gives the Department of Agriculture the primary responsibility for rural development activities, including water and other community facility projects. These projects in the past have represented over half of past EDA funding.

Industrial development loans authorized under the Rural Development Act may be made in communities with a population of 50,000 or less. All other programs under the act are available to communities with populations of 10,000 or less. Most of EDA's assistance has been placed in communities of similar size. For fiscal years 1966 through 1972, 81.5 percent of EDA's obligations have been made for projects located in localities of 50,000 or less people. Sixty percent of EDA's obligations went to localities of 10,000 or less.

In fiscal year 1974, under the act, \$345 million will be provided for water facility loans. These loan programs will involve significant State and local control so that funds under them may be used for various industrial project purposes.

The rural development program will

be implemented to provide the State and local officials greater authority in all different project decisions.

The administration contends that communities of all sizes will be assisted in meeting their waste disposal needs in 1973 and 1974 through the additional \$5 billion already made available for grants for waste disposal facilities, as authorized by the Federal Water Pollution Control Act Amendments of 1972. It is estimated that \$2 billion of the \$5 billion will be available for interceptor sewers.

The Small Business Administration programs provide for loans and guarantees similar in many respects to EDA's business loan authority. The 1974 budget proposes a \$642 million increase for SBA programs of which \$632 million is for loan guarantees under the SBA 7(a) and economic opportunity programs.

In 1974, all planning and management grants currently under the HUD "701" program but to be brought under the proposed Responsive Governments Act will be made to States, allowing Governors to make suballocations to local governments and other eligible recipients in accordance with State priorities. The budget request for this program is \$110 million, which is a \$10 million increase over 1973. Because of the increased discretion and funding to be made available to the States under the program, the States will be able, if they wish, to continue an interstate regional commission planning program and district planning efforts previously funded by EDA. Those States which do not participate in regional commissions may decide to establish commissions. However, there will be an elimination of the Federal veto, the Federal staff, and direct Federal involvement in regional commissions. The administration has stated that if the Public Works and Economic Development Act is not extended EDA funds will be provided to district planning organizations to insure EDA support through all of fiscal year 1974. Additionally, the administration will continue to provide amounts equivalent to the Federal share of administrative expense funds to operate title V Regional Commissions. This will guarantee a smooth transition for these districts and for existing regional commissions.

The administration has also stated that legislation will soon be submitted to the Congress to enable the Bureau of Indian Affairs to provide block grants to federally recognized tribes to carry out development projects as provided for in tribally prepared plans. This proposed program will provide funds usable for projects similar to those provided under the EDA program and will represent approximately the same level of funding. The President's 1974 budget request includes \$25 million for this purpose.

Under the administration's proposed special revenue-sharing programs, States and localities will have funds available for economic development projects.

The better communities bill will soon be submitted to the Congress. Such bill will authorize special revenue sharing. The proposal will involve sharing with

the States \$2.3 billion during the first full year beginning July 1, 1974.

Under the proposed bill all of the activities which EDA has previously funded in both rural and urban areas would be eligible for funding.

The proposed better communities bill will be a source of funds for our smaller communities. The President recognizes in this proposal the vital importance of small towns and rural communities to the future of the Nation.

In addition to the better communities bill, the administration will propose that the Congress adopt a program of special revenue sharing for education to begin in fiscal year 1974. Funding of \$2.8 billion will be requested and will include funds for the purposes of vocation and adult education. The States will be able to draw on these resources to initiate or expand vocational education programs.

Local comprehensive manpower programs under manpower revenue sharing will be phased in beginning July 1, 1973, under existing authorities. For fiscal year 1974 an appropriation of \$1,340 million is requested for such programs as vocational counseling and skill training.

In summary, it is the administration's position that the President's budget for fiscal year 1974 terminates EDA programs to simplify economic development and eliminate Federal bureaucracy where it is not needed. Moreover, the added spending and authorizations for EDA, on top of the other programs, would in the administration's opinion be fiscally unwise and imprudent.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I respectfully suggest that it would be useful in this discussion to identify clearly what we are talking about and also what we are not talking about. For example, we are not discussing here whether or not to spend. The Administration has proposed spending even more dollars through the rural development program than has been proposed for the Economic Development Administration. Rather, we are discussing who will do the spending, who will do the managing. This is a management question.

On this point, I would like to observe that at least as it has worked in my district in Pennsylvania, the EDA activity has been very much a grassroots program with the real management decisions being made in the local communities. In the past 4 years, we have had six EDA projects. All of them were conceived and proposed by the local communities. In no case did EDA turn down a proposal by the local communities. Today, we are being asked to dismantle EDA and replace it with a pig in a poke, in the name of returning decisionmaking to the people. I find that reasoning defective, since EDA already is a grassroots program.

The second item we are not discussing, Mr. Chairman, is a welfare program. EDA is an economic development program which leverages the investment into jobs

and creates a substantial return to the treasury. EDA is a pump primer, an investment in the free enterprise system, which attacks the welfare problem at the roots. It is a one-time investment that produces a return to the Federal Treasury year after year so long as that job remains viable. An \$8,000-a-year job created by EDA, for example, yields approximately \$4,000 a year, each year, to the Treasury. We can assume tax revenue of about \$1,000 and another \$3,000 savings from welfare. If we spent more money on EDA-type programs and less on welfare, I think we would soon be seeing significant progress in dealing with the welfare problem.

I think the key here is that EDA money goes not into food, or rent, or services, but into capital investment. That creates economic wealth in the best sense of the word, and it creates jobs which in turn creates more wealth for working people. This, I believe, is the way we are going to lick the welfare problem, our poverty problem, our unemployment problem with perhaps some effect even on our crime problem.

Some critics have suggested that EDA should be dismantled because it has not been an effective creator of jobs. I will have to disagree. A 1970 study showed that 77 EDA water and sewer system projects were creating so-called job equivalents—that is, \$6,500-a-year jobs—for an investment of \$1,425 per job, or a cost benefit ratio of 1 to 4. In 36 industrial-commercial projects, the figure was \$2,929 per job for a ratio of 1 to 2.3. In case anyone is suspicious of these figures, I can tell you that it agrees very closely with figures from my district where some 1,200 jobs were created for an investment of \$3,404,284 by EDA. That works out to \$2,837 per job. Now I know that the figures from my district are correct. Since they agree so closely with the \$2,929 cost-figure from the 1970 national study, I must conclude that the study is reliable and the critics are wrong.

For these reasons, Mr. Chairman, I urge that the Congress show its faith in the ability of our people to help themselves through the free enterprise system. I urge that we pass this bill.

Mr. MARTIN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. Mr. Chairman, I rise in support of H.R. 2246, to provide a 1-year extension of the Economic Development Act. Let me say at the outset that I endorse the administration's intention of shifting the existing grant and loan programs of the Economic Development Administration from the Department of Commerce to the Small Business Administration and the Department of Agriculture. I believe that when this is accomplished there will be a better overall perspective for balancing the at times conflicting interests of development versus conservation and that it will result in better coordination of rural development programs with other rural programs in the Department of Agriculture.

A 1-year extension, however, would

appear to be necessary to permit an orderly transition to the time when the Rural Development Act can be fully implemented. The budget proposal for fiscal year 1974 does not provide hardware grants for water and sewer systems in the Rural Development Act and the related funds provided for the Environmental Protection Administration would appear to have highest priority for metropolitan areas on the one hand and for waste water treatment plants on the other. Consequently, unless some adjustment is made, there would be a pessimistically low priority in EPA for rural water and sewer distribution systems.

The business loan assistance of the Small Business Administration serves a valuable purpose, but does not necessarily relate to the overall economic development plan developed by the local governments and leadership of the rural community.

There is not an economic development district in my congressional district, because it is essentially a metropolitan region. However, from the contacts which I have enjoyed as a former county commissioner, chairman of a regional council of governments—COG—and as former vice president of the National Association of Regional Councils, I have had some familiarity with the workings and uneven success of many economic development districts across the country. Generally speaking, they are responsive to and supportive of the municipal and county governments of their regions.

This is attested to by the support for the 1-year extension voiced by the National Governors Conference Executive Committee, the National Association of Counties, and the National Association of Regional Councils. The statement of policy adopted by the last-mentioned organization follows:

A RESOLUTION BY THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS SUPPORTING THE CONTINUATION AND FUNDING OF ECONOMIC PLANNING AND DEVELOPMENT FUNCTIONS

Whereas, the National Administration has recommended the termination of the Economic Development Administration on the grounds that its functions are being adequately replaced by increased Small Business Administration activities and the implementation of the new Rural Development Act, and

Whereas, the Administration has not provided for the funding of the planning and grant sections of the Rural Development Act, and the Small Business Administration does not further orderly economic growth through planning and interagency coordination, and

Whereas, the Congress, recognizing the need for economic planning and incentives to guide the allocation of economic activities, have introduced bills extending the Public Works and Economic Development Act of 1965 as amended and have requested a complete evaluation to determine appropriate action in support of a national economic development effort.

Now, therefore, the National Association of Regional Councils resolves to support the continuation and funding of economic planning and development functions until adequate consideration has been given to a more comprehensive national economic planning and development program, or suf-

ficient time has been given for the transition of present efforts.

Mr. Chairman, I conclude with the hope that in our zeal to consolidate programs and reduce duplication we not prematurely reject the established working system until the new machinery can be adequately geared up to replace it.

It would be a mistake, in my opinion, to, in effect, dropkick this program and, on second down, when with a little patience and adroit choice of plays we could reach the goal line with a full team effort and score more points for our side.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. Mr. Chairman, as a member of the Committee on Public Works and its Subcommittee on Economic Development, I feel most fortunate in having been able to participate in the hearings on H.R. 2246 and related bills for the extension of EDA of an additional year. I joined with other Members of the House in introducing this legislation early in this session.

While I am in agreement with the President's efforts to reduce Federal spending by cutting out wasteful and unproductive programs, I feel that each of the proposed program eliminations should be closely scrutinized by the Congress to properly determine if in fact the waste and nonproduction does exist. Scrutiny of EDA fails to disclose lack of productivity or waste.

At the hearings on this legislation we received testimony from a wide range of witnesses who pointed out that EDA funds have indeed assisted numerous communities across this country to develop economically. EDA's approach to aiding economically depressed areas has been one of encouraging and, in fact requiring, local initiative and local participation in decisionmaking and financing toward the worthwhile goal of providing more and better jobs for all our people.

The effect of the Economic Development Act has been the creation of a productive partnership between local and Federal efforts for economic development. The passage of this bill to extend this partnership will help maintain in the area of economic development the authority of local people to decide how funds are to be spent locally for the greatest economic benefit to all. Surely this approach is more desirable than one that might lead to further arbitrarily conceived bureaucratic formulas and regulations which sometimes appear to have been designed for the sole purpose of subordinating local incentive and participation.

I am proud that in my State of Mississippi, where the lack of economic development in the past has surely contributed to a multitude of problems both social and economic, the Economic Development Administration has made some 300 grants and loans to local communities at the specific request of local people. This has resulted in an investment of over \$100 million toward in-

creased job opportunities and the resulting benefits from increased payrolls.

Perhaps the most poignant testimony to come before the subcommittee during hearings on this bill was that of the Honorable Howard Stafford, mayor of Pontotoc, Miss. The mayor's testimony in behalf of the tremendous benefits realized in his town as a result of their partnership with EDA was that of one who knew firsthand of that which he spoke. In response to questioning, the mayor made the following comments:

We were as poor as Job's turkey, . . . a seven course meal in my town before 1965 was a possum and a six-pack.

He added further that they were accustomed to poverty, but that they had "enjoyed about all we could stand."

Since 1965, Pontotoc has increased its industrial jobs fivefold with an annual payroll of over \$17 million. The resulting increase in the tax base and improvement in the standard of living is adequate testimony in support of EDA's effectiveness in Mississippi. The case of Pontotoc, Miss., is only one of many which illuminate the need to continue this valuable program.

Mr. Chairman, I trust that today this House will act to insure the continuation of EDA for at least 1 more year to enhance the economic development of our country.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Chairman, I want to commend the Committee on Public Works for its work on this bill to extend the authority for the operation of the Economic Development Administration and add my support for this proposal.

Arkansas has demonstrated success toward finding solutions to the national problems of the countryside. During the 1950's the State, nicknamed the "Land of Opportunity," was depopulating rapidly. There was a mass exodus from the rural regions to the glitter of the cities by the educated young and unskilled poor. Both groups of people were in search of an opportunity and a better life.

During this period families were uprooted. Sons and daughters of Arkansas pulled up stakes and left their family homeplaces for work in faraway places. Ghost towns appeared in areas that once had been thriving bustling communities. Rapid social and economic changes occurred.

Most citizens recognized the need for a balanced economy and the 1960's became a decade of rapid progress. The tide of outmigration began to change. The population has begun to stabilize. Arkansas has found a way to allow our people to stay home, where we want to be.

What brought about this change in the depopulation trend?

A recent editorial column in the Washington Post gave the development of the Arkansas River credit for providing opportunities for checking the flow of outmigration from Arkansas. This is partially true. But, although the Mississippi River has been navigable for more than

a century, people continue to leave the delta regions.

The establishment of the system of inland waterways in this portion of the United States did give rise to a number of ports and industries along the Arkansas River. These in turn provided jobs and economic security for the people of the area. In addition, the Arkansas River project and the Corps of Engineers reclaimed a dirty, stagnant river and turned its muddy trickle into a clean, fresh-flowing stream.

However, many other Federal assistance programs were playing important roles in turning Arkansas around and heading her in the right direction. One of these was the Economic Development Administration.

Limited only by national policies and availability of funds, the EDA has enabled communities to work and plan their own future by helping them get the assistance they need in the form of public facility grants, business loans, planning grants, and technical assistance.

Expansion and improvement of water and sewer systems not only helps keep local people at home, but attracts new industry. EDA has assisted in developing such things as industrial parks, vocational and technical schools, recreation facilities and airport expansions. Members of minority groups, who in earlier years could see no desirable future for themselves in the business world, could get minority business loans. Port studies were done. Community centers were opened.

Communities began to feel and act like communities once again.

Since the establishment of EDA in 1965, 228 projects have been funded in Arkansas. They have helped generate 29,000 new or anticipated jobs.

In the 12-county East Arkansas Planning and Development District—EAPDD—located in the northeast and east central regions of the First Congressional District which I represent—23 projects have been funded or partially funded by EDA since 1968. The district has assisted counties and local communities in obtaining Federal assistance for 13 other projects.

The projects which got Federal funds from EDA only have generated, or are expected to generate 7,700 new jobs. A total of \$3,736,974 has been allocated to this planning district's counties. Meaning that each new job cost less than \$500 in EDA funds to create. The people who hold these jobs are taxpaying citizens. Each one has paid in more in taxes on earned income than the Federal Government invested in helping create these jobs. And, not one of them has migrated to a ghetto to become an anonymous name on a welfare role.

The case of the revival of Arkansas' economy is probably not a unique one. Many areas and States have begun to have hope for the future thanks to the operations of the Economic Development Administration's programs. Consequently the Nation as a whole is healthier.

But, the battle has not been won. Only the opening victories have been tasted.

The major impact of the EDA program has been in the countryside. Yet, in 1970,

there were 71,382 families struggling to survive in rural Arkansas areas on incomes below the poverty level.

In Arkansas EDA has proven itself a worthwhile program. I urge the House to act to give EDA prolonged life.

Dispersal of economic development, such as EDA encourages and aids, helps reduce the congregation of the jobless and unskilled in the metropolitan areas. Industries can expand into new areas thus easing the problems of congestion and pollution in the heavily urbanized areas. And, our people will be happier because they will have a choice of living places since the prospects of making a living in the region they call home improves.

A feature article by George C. Wilson which appeared in the Washington Post on Sunday, describes the kind of good things the Economic Development Administration programs have been helping bring about in Arkansas. I would like to share that article with my colleagues at this time, by placing it in the RECORD:

END OF OZARKS' OUTMIGRATION MAY SIGNAL NATIONAL TREND

(By George C. Wilson)

TIMBO, Ark.—Jimmy Driftwood, the balaader of the Ozarks, is telling about the big decision his parents had to make one summer night when he was a boy growing up in this northwest section of Arkansas.

As he talks, cows heavy with spring calves bawl in the pasture out back. A kettle hisses on the stove inside the wood-plank kitchen of the farmhouse.

"One summer, Mr. Leander Carter came over to our place and said, 'Jimmy, I'd like to hire you for the summer to do everything there is to do on the farm—plow corn, cut sprouts with the hoe, whatever. If you bring your dinner, I'll give you 50 cents a day. If I feed you, I'll give you 40 cents a day.'

"That night," Jimmy continues in a voice tinged with reverence, "my Momma and Dad talked a long time about what would be the most economical thing to do. They finally decided for me to eat with him. They felt like what I would take to eat would be worth more than the difference."

So Jimmy Morris—his stage name of Driftwood came much later, after his country songs had won a national following—worked for Mr. Carter in the summer of 1923. He was happy to be the only boy around with a paying job.

#### THINGS ARE BETTER

Today, after lots more summers with few jobs, things are much better in Arkansas. So much better, in fact, that Chairman John L. McClellan (D-Ark.) of the Senate Appropriations Committee and others argue that the Arkansas experience is the way to stem the national exodus from farm to city—a migration that continues to empty out the Great Plains as people pile up in urban areas.

McClellan and—by last year's count anyway—at least 39 other senators are pushing a bill (S-10) to give more federal aid to the countryside to hold the people there, away from the cities. That concept is at the heart of the current budget battle as President Nixon moves to eliminate several programs designed to revitalize rural areas.

Beyond the political fight, and probably more important, lies the question of whether what is happening in the Ozarks is the leading edge of a new national trend—people with a choice opting for quality of life even if it means fewer material possessions.

"There was a major reversal of former population losses in a non-metropolitan area extending over northern and western Arkansas, eastern Oklahoma and southwestern

Missouri," notes Calvin L. Beale, Agriculture Department specialist in population trends, in examining what happened between 1960 and 1970.

Rural areas in the lower Tennessee Valley, West Central Kentucky, Pacific Coast of Washington, western slope of the Rockies in Colorado and the northern half of Michigan's Lower Peninsula also made comebacks in the 1960s in terms of holding people in the countryside.

Reasons for this changing tide vary by area, of course, but the Arkansas experience—to examine one dramatic example—suggests that young people will indeed stay "down on the farm" if they can find a job other than farming.

Census Bureau figures for Arkansas show that:

The state's total population dropped from 1,949,387 in 1940 to 1,909,511 in 1950 to 1,786,272 in 1960 as people went looking elsewhere for work. But in 1970 the population climbed to 1,923,295—an increase of 7.7 per cent.

Also, the biggest single jump between 1960 and 1970 was in young people, as the number of people aged 20 to 24 increased from 99,852 to 143,039—a gain of 43.8 per cent. The older population increased substantially, too, as thousands retired to Arkansas—attracted by its low-cost living and pleasant environment.

On a county-by-county basis, 46 of them gained population, 28 lost and one stayed the same between 1960 and 1970. In 1960, only six of the counties gained people over the previous census and 69 lost them.

Personal income climbed sharply, even though many people in Arkansas are still in poverty.

In 1959, 14.2 per cent of the families in the state had incomes of less than \$1,000 a year. This percentage was cut by two-thirds by 1969, to 4.4 per cent.

Looked at another way, the median (halfway point between the highest and lowest) income for males in Arkansas over 14 years old was \$2,159 in 1959 and \$4,026 in 1969. This compares to \$3,837 and \$5,918 for those two years for the District of Columbia.

#### THE MINIBOOM

The biggest single reason for this mini-boom in Arkansas is the industries which have moved into the state, according to the specialists. Close behind is the income from tourists and retirement people. And state leaders see further economic uplift coming from the McClellan-Kerr Arkansas River Navigation System—providing a water highway from the Mississippi to Tulsa. Tonnage on the 448-mile waterway increased 45 per cent between 1971 and 1972.

Between 1960 and today, when the population flow reversed, an additional 142,492 jobs were created in Arkansas, according to the Arkansas Industrial Development Commission. Of that total, 75,138 jobs were created by new industry which located in the state since 1960 and the rest were from expansion of existing companies in Arkansas.

The Development Commission said that 754 companies were newcomers to Arkansas, with the largest in terms of employees including American Greeting Corp., Emerson Electric, Georgia-Pacific Corp., International Paper, Levi-Strauss, Singer Co., Teletype Corp., Timex, Ward Furniture and Warwick Electronics.

Arkansas' congressional delegation, former Republican Gov. Winthrop Rockefeller, Democratic Gov. Orval Faubus, the Development Agency, and the federal assistance through the Economic Development Administration, Farmers Home Administration and Ozarks Regional Council all are credited with the state's economic advancement.

The Ozarks themselves—and land of steep hills and clear rivers—provided an economic boost as a growing number of tourists came

into the state. State leaders are making a concerted effort to draw in more tourists, with the Ozarks Folk Center in Mountain View a prime example.

Rep. Mills, when Mountain View was in his district, championed the folk center which opens next month with performances by the Rackensack Society fiddlers, banjo players and country singers. The \$3.39 million center was built under an Economic Development administration grant which paid for 80 per cent of the cost.

#### LESSON FOR ALL

There is a lesson in all this for the rest of the United States, according to Arkansas' two most powerful Democratic politicians, Chairman McClellan of Senate Appropriations Committee and Wilbur Mills of House Ways and Means Committee—leaders President Nixon must heed if he hopes to get his legislative program through Congress.

The lesson, McClellan and Mills state, is that there is a relatively unexploited middle-ground between the jobless countryside and overcrowded cities.

"The family farms are gone," says the 77-year-old McClellan who has studied the problem for decades. "There is not going to be any more family farms."

"But," he adds, "if we get industry to locate out in these rural areas, then we can keep the people there. The man who likes the outdoors can still do a little farming for himself. He stays. He knows he's got a regular job to depend on."

"Industry, labor and government should study what has happened in Arkansas," Mills said.

"In the long run it will be better for the country if we can get industry to diversify," Mills says. He pushed for numerous small plants for Arkansas in preference to large defense industries which lay off thousands of workers once a contract runs out. Mills contends labor leaders' fears about losing their grip over workers in Arkansas' small plants have not materialized.

Both McClellan and Mills say they agree with Mr. Nixon that federal spending must be held down but that eliminating the Economic Development Administration and Farmers Home Administration is not the way to do it. They are fighting those White House recommendations. Revenue sharing cannot work as a substitute, they argue.

"These little rural communities have to put down the water lines to attract industry in the first place," McClellan says. "They just don't have the money and they can't borrow it. They can't borrow on some promise that maybe they are going to get some revenue sharing funds from the government. The communities must have these grants and loans. It's much cheaper for the government than trying to rebuild slums where there are not enough jobs for the people who live there."

While jobs are the big factor in holding native Arkansans on the land at long last, other people are coming into the state in pursuit of quality of life—or a better environment for themselves and children.

John C. Johnson is one. At age 46, he quit a well-paying white collar job and a house in the suburbs for a 290-acre farm he bought in the hills outside of Mountain Home, Ark. for about \$40,000.

#### NO SACRIFICE

So far, he does not look upon his new life as an economic sacrifice—not when you figure it out. "I probably made a mistake by not moving here in 1965," he says during a respite from putting in fencing for the beef cattle he has ordered.

"The cost of living has been going up so much since 1965 that there was nothing left of the paychecks I used to get anyhow. You can't earn enough to keep up—at least in the business I was in."

Johnson was senior electrical engineer for

the Motorola plant in Phoenix, Ariz. He made close to \$20,000 a year, on that job, worked on the communications for the Apollo spaceship and lived in the suburb of Scottsdale.

As he talks of the frustrations of engineering, his wife, Dee, pours some sassafras tea she made in her new role as country wife.

"Ninety-nine per cent of my work in the last 10 years has not been intellectually stimulating," Johnson says. "You're not making big technical breakthroughs working for the electronics industry. You can easily learn all the facts you need to know."

So now Johnson plans to buy 20 pregnant cows for \$400 a head, or a total of \$8,000; sell the calves next year for \$300 a head, or a total of \$6,000, to get most of his initial investment back; then start making a profit with the next bunch of calves from the same cows.

"Back in Scottsdale," Mrs. Johnson says, "it was a big deal when my son, Danny, could fish in the little itty-bitty pond in the park. Now he fishes in our own stream out back. This is an answer to a prayer for me."

The Johnsons chose Arkansas because the land, besides being beautiful, is cheaper than in Colorado, taxes are lower and the climate is milder than that of the Great Plains where Johnson grew up.

The conversation in the Johnson living room touches on some of the drawbacks of living in the Ozarks. One of the children needs special schooling but there is none near Mountain View; ice on the roads sometimes cuts off the family from town; stores are sometimes unable to fill even such simple needs as a length of two-by-four, and social life is sparse because "when it gets dark around here, people go to bed."

But on balance, the Johnsons say they are happy they moved to Arkansas last summer. They intend to stay. As a final word on their new life, they bring out a placard presented in farewell by Johnson's fellow employees at Motorola. It concludes: "All in all, we sure envy you."

But the Ozarks certainly are not for everybody. Testifying to this is a nurse interviewed in a glistening corridor of Boone County Hospital in Harrison, Ark.—population 7,239 according to the sign on the highway.

"If I were single, I'd never come here," says Mrs. John Hagen, 25. She says she and her husband moved here from the Erie, Pa., area "because of the unpolluted lakes and country living."

#### NOT FOR SINGLES

"But," she adds, "this is for young marrieds and retired people—not single gals." She and her husband are looking for farm property but have found prices rising sharply. "People want the growth to stop. They want it the way it is."

Lewis W. Spencer, administrator of the 133-bed Boone County Hospital, readily admits that single nurses are not eager to come to Harrison. "She'd find darn few single men when she came to Harrison," he says. How she would meet them if she did come is another question. There are no bars in Harrison—part of a dry county—and almost no other gathering places for young singles.

In spite of, or because of, this low-key life in Harrison, Spencer has little trouble in recruiting doctors for his modern hospital in the Ozarks. They come for the quality of life, he says.

"Wherever he goes, a doctor knows he is going to make a good living. We can offer him a fine place to raise a family." The "fine place" includes nearby rivers and lakes; a new ski slope and ice skating rink at the Dogpatch tourist complex outside of town, and mountains for hunting.

Spencer's sales pitch works. He says there are 24 doctors in Harrison now and three more on the way. With 27 doctors to serve a

county population of 19,073, this works out to one physician for every 706 people. The national average is one doctor for every 612 people.

The availability of medical care in Harrison and in the Little Rock Medical Center 140 miles to the south is, of course, comforting to people moving to the Ozarks, especially the retirees. The same is true of lower hospital costs—\$32 a day for a semi-private and \$42 a day for a private room in Boone County Hospital. For comparison Sibley Hospital in the District of Columbia charges \$61 a day for a semi-private and \$70 for a private room.

Floating down the Buffalo is indeed a delight—at least in March when the water is high. The river is clear with a sand and gravel bottom, and small-mouth bass dart away from the canoe's shadow. On our trip, a flock of wild turkeys flew out of a green glade along the swift water.

The sudden growth of the Ozarks and the changes it is bringing, like turning the Buffalo River into a national park, is not universally applauded, of course. Fred Dirst, who lives in a trailer along the river at Rush, does not mind saying so.

#### CHANGE LAMENTED

"You from the Park Service?" he asks a visitor, who replies in the negative.

"Good, then it's not open season on you." Dirst tells of how much he hated to give up his riverside farm, but he concedes tourists will soon be coming down the Buffalo in such numbers that the land will be too crowded for his comfort anyway. How about buying another farm somewhere else?

"I'm 72," Dirst says drily, "If you got any farming to do at that age, you should of done it already."

Time after time in interviews with new arrivals in the Ozarks, one hears complaints of muggings, pollution and the general raspiness in the cities they left. Beneath these complaints lies one that is seldom volunteered right away. Lots of people are settling in the lily-white Ozarks of northwest Arkansas to get away from blacks and the strife they associate with them.

"I'm being very honest with you," says a retired life insurance salesman who moved from Chicago with his wife to Mountain Home. "What was left for us back in Chicago? You couldn't go into the city at night without worrying about getting robbed. All that is left back there is a bunch of boos"—short for "jigaboos," a derogatory term for blacks.

A more polite expression is heard frequently in the Ozarks. "You know, we don't have the black-white problem around here."

Native Arkansans when asked about the lack of blacks in the hills say it's from lack of jobs rather than prejudice. "What in the world would they find to do around here?"

In the eyes of former city dwellers and suburbanites seeking a better quality of life in the Ozarks, one big fear is that growth will mean an end to the beauty they came here to find.

"We would have moved to Washington, D.C., if we could have found some place secure to live. We didn't have that kind of money," says Donald Troyer, 30, a biology major who worked at Washington's Junior Village before moving to Mountain View.

"I like the out-of-doors and the folk setting. But the more people that come here, the more diluted it all becomes."

Political leaders assert they are well aware of such fears about the Arkansas environment.

#### ORDERLY GROWTH

"We're trying to keep this growth orderly within the city limits of Harrison," says Mayor Hugh Ashley. "But both the counties and small towns better go on with their planning or else there will be a lapse" in controlling the growth.

"We have no county planning yet that we

can enforce," says Boone County Judge James Roy Eoff, 51, whose job is really that of county manager rather than magistrate.

"Until we get our plans for the county drawn, we can't do much. We like to see this growth but we don't like to feel these growing pains. We're probably growing faster than old timers would like to see it. But there aren't many old timers."

"As a person, I got all the standing in line I wanted when I was in the service. Personally, I would like to see this growth level off."

"But many people would like to see it keep growing like it is now. . . . The money-hungry people are going to win."

Donald R. Raney, as executive director of the Northwest Arkansas Economic Development District, is charged with worrying full time about the growth problem troubling Judge Eoff and others.

The development district helps officials in nine northwest counties of Arkansas plan their future, and Republican Rep. John Paul Hammerschmidt says its operation should be a model for meshing federal assistance with local needs. The technique is to apply for all available federal and state money for the nine counties and then work up plans with local officials for spending it.

#### FEARS NOT SHARED

Raney, himself a native Arkansan, does not share Eoff's fears about the future. He believes planning is far enough along to preserve the woods and waters of the Ozarks even as job-providing growth continues.

Ask Raney for a one-word reason for this new prosperity in his jurisdiction and he answers, "Water." Loans and grants financed waterlines for industry, the U.S. Army Corps of Engineers built dams in his northwest district at three places on the White River—Beaver, Bull Shoals and Norfork—providing attractive recreation spots, flood control, and drinking water.

Now, says Raney, if Arkansas would just change its state constitution to allow realistic taxation to finance such improvements as roads—and if the federal government would continue to make grants for providing and cleaning up water—the new prosperity of the Ozarks will keep spreading at a rapid rate.

Mr. JONES of Alabama. Mr. Chairman, I have no further requests for time.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Virginia (Mr. Broyhill).

Mr. BROYHILL of Virginia. Mr. Chairman, I rise in opposition to H.R. 2246, which would extend authority for the continuation of the Public Works and Economic Development Act through fiscal year 1974.

While EDA's programs have done some good in helping to alleviate conditions of economic depression in certain areas of the Nation, I believe they have fallen short of their expectations—and in the fight for fiscal responsibility ineffectual programs should not be carried along by inertia, which is what this bill does.

I also believe, along with the President, that it is time to cut the umbilical cord to Washington, which is what a great many categorical grant-in-aid programs have come to represent. The new Federal response to economic development as reflected in the budgets directs, wherever possible, decisionmaking authority to the people in the localities, communities, and States, and encourages the participation of the private sector in helping to meet economic and social needs. There is no

need for the strong Federal decisionmaking role in localized kinds of projects with which EDA has been involved.

Thus, EDA's program objectives should be assumed by other Federal departments and agencies exercising less control from Washington and by State and local governments themselves with the assistance of shared revenue. Passing H.R. 2246 will not accomplish this result.

Mr. HAMMERSCHMIDT. Mr. Chairman, I have no further requests for time.

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

The CHAIRMAN. The Chair will count.

The CHAIRMAN. One hundred and one Members are present, a quorum.

Mr. WYLIE. Mr. Chairman, will the gentleman from Alabama yield for a question?

Mr. JONES of Alabama. Mr. Chairman, I yield myself such time as I may consume, and I yield to the gentleman from Ohio.

Mr. WYLIE. The gentleman from New York (Mr. GROVER) said he opposed the passage of this legislation because there is duplication in the program or programs. He referred to overlapping involvement in the Rural Development Act and the Economic Development Act. I am not sure I understand the need for both programs. I wonder if the chairman would explain this?

Mr. JONES of Alabama. We expect no duplication. EDA is basically a grant program. There would be no duplication.

The Rural Development Act, which we have just passed, was specific in its recommendation, so we would not expect duplication in that area.

Mr. WYLIE. How do the programs differ? I do not understand that.

Mr. JONES of Alabama. I am fearful that would be too complicated, trying to go through the agencies, bureaus and Federal activities, at this time.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Texas.

Mr. WRIGHT. In a nutshell, I believe it can be said that the rural development program consists of a program basically of loans, and it is dedicated primarily to the rural economy and to its revivification, which is desperately needed.

This program, on the other hand, consists primarily of grants to small communities, and not only to small communities but to economically distressed medium-sized communities which have been losing population. These public works grants are for the purpose of stimulating the basic infrastructure to attract private investors, whereby those small and medium-sized communities which have been suffering this massive outmigration can provide locally produced, privately financed, long-term jobs in the private sector.

I would say to the gentleman, that this is the basic difference.

Mr. WYLIE. In other words, the Rural Development Act is more agriculture or farm oriented, and EDA is more business oriented. Is that what the gentleman is saying?

Mr. WRIGHT. I believe that is a fair summation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 2 minutes.

Earlier in the debate I was referring to a statement by the Senator from Georgia, Mr. TALMADGE, in the other body, stating that there is no intention to overlap responsibilities of certain other agencies, including the SBA, the EDA, and others.

Mr. Chairman, I see the distinguished chairman of the Committee on Agriculture on the floor, and I wonder if he would comment on that?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the distinguished gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Chairman, I would like to say that I served both in the writing of this Rural Development Act, passing it through the committee and passing it through the House and taking it through conference, and there was no suggestion that we were in any wise supplanting this EDA program, but, rather, that we were trying to supplement it.

Mr. Chairman, in order to make sure that is correct I would like to read to the Members from the act itself. This is the Rural Development Act.

Section 118, subsection (d). It says that—

The Secretary may participate in joint financing to facilitate development of private business enterprises in rural areas with the Economic Development Administration, the Business Administration, and the Department of Housing and Urban Development.

Mr. Chairman, obviously had we had any intention that we were going to let the Rural Development Act take the place of this program, we would never have put that provision in the bill specifically authorizing cooperation with this program. So I think it is fair to say that the Rural Development Act was passed for a different and enlarged purpose and was certainly never intended to take the place of this, any more than it was intended to take the place of the rural electrification program, as some people have tried to make it seem.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman. I think that may answer some of the questions Members of the House may have had.

Mrs. SULLIVAN. Mr. Chairman, as a cosponsor of the bills which created and subsequently expanded the Economic Development Act of 1965, I strongly support H.R. 2246 to extend the life of this program for an additional year beyond its present termination date of June 30, 1973.

President Nixon's action late last fall in vetoing the bill passed by Congress to expand the program was shocking and incomprehensible to all of us who have been concerned over the persistence of high unemployment in many areas of this country. The present bill is therefore an emergency measure to prevent the dismantling of the program before the 93d Congress can devote the necessary time to hammer out a new long-range attack on our unemployment problem.

It is ironic that President Nixon has been sending us in recent years what he calls "full employment budgets"—budgets which would, he says, be in balance if the Nation's work force were fully employed, but which are obviously and painfully far out of balance because of the fact that so many people who want to work cannot find jobs. People who are unemployed not only do not pay income taxes, they draw unemployment compensation and other benefits which add to the cost of Government. Thus, the budget suffers doubly—in terms of lost revenues and higher expenditures—because of persistent high unemployment.

It seems to me that if the President were serious about his so-called full employment budget he would be willing to spend funds authorized and appropriated by Congress to help achieve high employment levels. The Economic Development Act has been a major tool available to him in combating joblessness and economic stagnation in those areas of the country still suffering from the recession which began with the first Nixon administration.

I congratulate the chairman of the Committee on Public Works (Mr. BLATNIK) and the members of his committee from both the Democratic and Republican sides who have joined in sponsoring H.R. 2246, and I applaud the dedicated hard work on this issue also by the Democratic whip (Mr. McFALL) who has been from the beginning the moving force behind the concept of this legislation.

I have always favored the idea of public works to improve the physical facilities of our communities while also providing jobs for workers who are otherwise not able to find them, and have introduced or sponsored such legislation since my first term in Congress beginning in 1953. We were then in a recession resulting in high unemployment, and experienced two more recessions during the 8 years of the Eisenhower administration, before beginning 8 years of steadily rising employment opportunities and lowered joblessness during the Kennedy and Johnson administrations. In 1969, the indexes turned downward once again and 4 years later we still have more than 5-percent unemployment.

If the President does not consider this a serious problem for the American people, our action on H.R. 2246 should demonstrate that the Congress certainly considers it terribly serious. And I am sure the people of this country agree.

Mr. CAMP. Mr. Chairman, the Economic Development Administration has been one of the most effective and responsive Federal agencies I have worked with in my years in Congress. I rise in support of H.R. 2246, which is identical to legislation I introduced in the hope of preserving the important EDA assistance programs now going on.

In my district, EDA programs have been particularly helpful to some of our smaller towns and to many of the Indian tribes in western Oklahoma. For instance, the town of Blackwell, hard hit

by the closing of its major industry, was designated an EDA redevelopment area in December and is just now beginning to feel the impact of this assistance. City officials have had nothing but the highest praise for EDA's assistance and have voiced their deep concern about the proposed termination of the agency. In the words of Blackwell's mayor:

It boils down to this: we would not care what title the program had so long as we knew it was available. And, based on past performances, we believe that a change over the next 11 months will require an actual implementation time considerably beyond our period of need.

I thus submit that an extension of the Economic Development Administration is in order so that the continuity of ongoing programs will not be jeopardized over the next year. If, in fact, the EDA is no longer necessary, let us make sure we have an orderly phaseout.

Mr. SIKES. Mr. Chairman, I fully support the bill under consideration today to extend the Economic Development Administration for 1 year. We simply cannot afford to see this useful agency killed. In effect we would be saying that many people who want to help themselves are to be cast aside in the name of economy. I am in agreement with efforts to get the Federal Government out of areas where it does not belong, but EDA does not fall in this category. It has demonstrated that it is a good program and it has been successful. It is working and it should be allowed to continue in operation. Today we propose only stopgap legislation to continue the program for another full year while further studies can be made on its proper place in Government. This is the least we can do.

EDA has brought together previously fragmented and uncoordinated programs to help rural America. Certainly it is the most effective agency yet established to help in the solution of some of the difficult problems of our Nation. It directs itself at the problems of employment imbalance, income gaps, and standard-of-living improvements, and all of these are important. This service is needed and should be provided by our Government. This is what EDA does and I strongly urge that it be continued.

Congress has supported this agency over the years because the work it did was efficient and its programs beneficial to the people of more than 1,100 counties in the United States. As my colleagues know, I have been critical of many of the programs conceived by various administrations and put forward as hopeful experiments in social reform. But I have not been critical of EDA because it works. A prime example is in my own district in Florida where EDA functions primarily through the Northwest Florida Development Council and Economic Development District. Some of these counties are in my district; the others are represented by my colleague, the Honorable Don FUQUA. The fact that this council crosses county and congressional district lines is an example of the effective way it works. This clearly demonstrates that problems know no geographic boundary. Area problems must be

solved on an area basis, and this is what is taking place in northwest Florida. If EDA is allowed to die, some of this valuable progress will cease. EDA has assisted my area over the years with almost \$4 million in loans and grants in addition to the staff assistance and technical aid which has been utilized to create 5,000 new jobs for our people. This is a program which works to help people help themselves. We have built port facilities, public buildings, barge terminals and city halls. We have conducted studies on fishing—a vital industry in my State, and on hardwood, also a major factor in our economy. We have begun to develop a master plan for the entire region and work is going forward on studies to renovate port facilities.

If EDA is discontinued, work like that taking place in my area and in hundreds of other counties across the Nation will stop. This is an ill-advised move, Mr. Chairman. It should not take place.

The program has demonstrated its usefulness. There is a need for it. If there are changes which should be made in the House and Senate, in cooperation with the administration, we should have the necessary time to study all phases of the program and to evaluate the need for change. A 1-year extension of EDA will permit this evaluation.

Mrs. GRASSO. Mr. Chairman, it is essential that the House pass H.R. 2246, a bill to extend the Public Works and Economic Development Act of 1965 for 1 year.

This bill continues through fiscal 1974 legislation which has proven its worth in countless cities and towns throughout the Nation. Specifically, the bill authorizes \$800 million for public works grants and supplementary grants, \$170 million for public works and business development loans, \$50 million for technical assistance and research, \$50 million for growth centers and for bonuses for economic development districts, and \$152.5 million for regional action planning commission programs. Also, the bill extends the moratorium on redesignation of redevelopment areas.

This legislation was originally enacted in 1965 to provide Federal assistance to those regions of the country which lagged behind in economic growth or suffered from high unemployment or underemployment. Its effectiveness has been well documented, and at this time no comparable program exists to assist economically distressed areas.

I am especially concerned about the continuation of the Economic Development Administration. The level of unemployment in the sixth district has decreased over the last 2 years. EDA has been an important factor in improving economic circumstances in many towns in my district, a district in which more than half of the towns and cities have been designated for title I and title IV funds. Still, unemployment in northwest Connecticut remains well above the national average of 5.1 percent. Bristol, where unemployment reached almost 24 percent in the past, still has a rate of 9.5 percent. Torrington's situation has also improved, but retains a level of 9.2 per-

cent. And New Britain, the largest city in the sixth district, has an unemployment rate of 7.5 percent.

Last year, towns and cities in my district received more than \$4 million in EDA funds. These resources enabled our communities to create a more viable and diversified economic base which, in turn, improves the employment situation in the town and surrounding area. To help stimulate the types of economic growth needed to reverse recent trends, Bristol received more than \$2 million for sewers and a pumping station. Neighboring Plymouth received \$1.18 million for its industrial park and \$600,000 for a town hall. Enfield received \$400,000 under the public works impact program for a town garage, and is counting on up to \$2.5 million in aid for their planned industrial park. Regrettably, the applications of other towns were rejected because EDA lacked sufficient funds.

Municipal leaders—and local officials—the people who know the problems and needs of their areas—value the assistance EDA has been able to provide. Mr. C. Samuel Kissinger, town manager of Enfield, Conn., summed it up well in a recent letter to me:

The Economic Development Administration has been one of the most productive of all the Federal Agencies and the local Economic Development Administration staff headed by Mr. Charles M. Hammerlund has expended a considerable amount of dedicated time to fulfill the intent and philosophy of the existence of the agency.

In his recent message, the President noted that American cities are diverse entities with different priorities and local needs. EDA has been able to work with local officials effectively in order to help create conditions to aid business growth and create jobs on the local level. Community participation and cooperation, along with close coordination among local, State, and Federal officials have enabled EDA to develop innovative and constructive projects which will benefit these towns and their citizens for years to come.

Congress has long recognized the importance of EDA, and showed its support by voting late in the 92d Congress to extend the authorization through fiscal 1974. The bill was vetoed, partly because the administration considered the program ineffective.

To help meet the administration's objections, the committee has reduced the authorization level to the fiscal 1973 figures. The \$1.2 billion would provide badly needed assistance without sacrificing either fiscal responsibility or the recovery of the needy communities.

Because of EDA's superb record of achievement, I was appalled to note that the administration's fiscal 1974 budget would transfer EDA's functions to other agencies. Despite misleading rhetoric, the proposed increases in other programs do not offer satisfactory substitutes for the expertise and success EDA has given our cities. Community development revenue sharing is not the panacea its proponents claim. It cannot be thought of as an immediate alternative for EDA. First, let us remember that community development

revenue sharing must survive the legislative process and become law. Second, it offers no guarantee that the economically needy towns which utilized EDA funds would receive the necessary revenue sharing money. Third, and most important, this program is not scheduled to become effective until July 1, 1974—a full year after the proposed termination of EDA.

Mr. Chairman, EDA is not the first program the administration wants to terminate abruptly. However, in this instance we have a new twist—termination, a year of waiting by needy cities and towns, and then the beginning of a new program—if it is enacted into law.

I believe that H.R. 2246 represents the only logical solution to this problem. The bill would extend EDA for 1 year. At that time either community development revenue sharing or another program would take its place.

The administration's attempt to dismantle a productive program such as EDA penalizes those areas which need the very assistance EDA provides. The road to economic recovery and development varies with each locale, but in so many instances EDA has managed to bridge the gap between Federal assistance and local need. It has earned a well-deserved reputation as a program which accomplishes its aims with a minimum of Federal interference in local matters.

I therefore urge by colleagues to give their overwhelming support to H.R. 2246 and help save EDA.

Mr. BLACKBURN. Mr. Chairman, I wish to speak in opposition to H.R. 2246 which would extend to fiscal year 1974 the authorization for the Public Works and Economic Development Act. An authorization level of \$1,222,500 has been recommended by the committee. Although it may appear at first blush that an expenditure of this scale will have no effect on President Nixon's efforts to hold down taxes and inflation, this is not true. We are committed to halt the burden of the taxpayer's share to fund the number of grant programs of which the Public Works and Economic Development Act is one.

It may be true that this program was conceived at a time when there was a need for special attention to distressed areas in our country. However, much has been done to evidence concern for that need and as years have passed, it has become clear that programs such as EDA have fallen far short of our expectations. There is currently a wasteful duplication of effort with already existing programs.

The President's 1974 budget proposes the funding of other programs presently in place and which would provide assistance to States and local governments to meet their needs more directly than has been the case with programs such as EDA. These other programs include the Rural Development Act, Water Pollution Control Act, and Small Business Act, and manpower revenue sharing which will be phased in beginning July 1973.

The new Rural Development Act is a program which in many ways duplicates EDA activities and which will provide increased assistance to rural communities in keeping with the President's concept

that the States should be given discretion to decide where assistance is needed. Industrial development loans authorized under the Rural Development Act may be made in communities with populations of 50,000 or less. All other programs under the act are available to communities with populations of 10,000 or less. It is true that most of EDA's assistance has been placed in communities with a population of 50,000 or less. In fact, more than 80 percent of EDA's obligations has been made for projects located in localities of 50,000 or less people while 60 percent of EDA's obligations were for localities of 10,000 or less.

The Small Business Administration programs provide for loans and guarantees similar in many respects to EDA's business loan authority. The 1974 budget proposes a \$642 million increase for SBA programs.

Furthermore, communities of all sizes will be assisted in meeting their waste disposal needs in 1973 and 1974 through the additional \$5 billion already made available for grants for waste disposal facilities as authorized by the Federal Water Pollution Control Act Amendments of 1972. It is estimated that \$2 billion of the \$5 billion level of funding will be available for interceptor sewers.

The President's 1974 fiscal year budget is keyed both to fiscal responsibility and a meaningful responsiveness to the problems of the underemployed and the unemployed. Therefore, it behooves us to ask that we get the most for every public dollar spent. I am constrained to say that the public is well protected within the administration's concern by passage of H.R. 2246 and I must object to such an extension of EDA's programs.

Mr. WHITE. Mr. Chairman, the Economic Development Act is a people-oriented program. It has provided jobs and improvements in areas when there was little other hope for relief. The basic concept of the EDA is "helping communities help themselves." This seems to be the very philosophy that is demanded in these times, and yet the administration endangered the existence of this agency by vetoing H.R. 16071 in the waning hours of the 92d Congress and now by threatening this bill with the veto or impoundment even in the face of overwhelming support by the 93d Congress. H.R. 2246 is cosponsored by 150 Members of bipartisan interests and in addition to this broad bipartisan support enjoys the significance that this proposal has been cosponsored by every member of the House Public Works Committee, including its chairman, JOHN BLATNIK, and its ranking minority member, WILLIAM HARSHA.

We are in accord with the President's plan to abolish wasteful, useless, and nonproductive programs of Government, but we cannot agree that EDA is in this category. Undoubtedly there are necessary revisions, but we will not know unless the House and Senate are given the necessary time to study and evaluate these programs in the 1-year extension of the EDA. The studies can be completed. We can then act with responsibility to fund those programs which should be continued, to abolish those

which should end, and transfer in an orderly manner those programs which rightfully should be delegated to other agencies.

But we cannot simply kill this useful agency and say, in effect, that many people who want to help themselves are to be cast aside in the name of economy. The EDA has demonstrated that it is a good program. It has been successful. It is working and it should be allowed to continue in operation, at least for another full year while further studies can be made on its proper place in Government.

We are proposing a 1-year extension because that is the time needed to complete studies now underway by the House and Senate into the operation of these programs. The additional year is needed, furthermore, to allow for an orderly transition to new programs if better ways are found to relieve economic hardship and unemployment in our depressed communities.

Therefore, Mr. Chairman, the best way to quickly reduce unemployment is to provide grants and loans for local government and business construction projects which create immediate construction jobs in areas of high unemployment, and thus, will have highly desirable side effects in creating more employment throughout such areas. This is the intent of the Economic Development Administration and the Public Works programs authorized by this bill. It is for this reason that I believe prompt and favorable action on H.R. 2246 is necessary.

Mr. KLUCZYNSKI. Mr. Chairman, I strongly support the 1-year extension of the Public Works and Economic Development Act contained in H.R. 2246. I know of no finer program than that of the Economic Development Administration. Its work in helping to revitalize the stockyards area of the city of Chicago has had tremendous beneficial impact on the daily lives of the people of that city.

The Chicago stockyards were once the busiest in the world, supplying animal products for America and overseas as well. But with changes in the structure of the meatpacking industry, the stockyards declined in importance. One after another, the major packers moved westward until, just a few years ago, the stockyards were virtually empty, abandoned relics of an earlier stage in the development of the meatpacking industry.

More important by far than the empty buildings, however, was the loss of jobs and income for people who had depended upon the stockyards for their livelihood. Literally thousands of persons who had once made their living in the packing industry were left with no job, little opportunity, and even less hope. For many people, the only solution appeared to be to move away from the old neighborhood, from family and friends, and from ties which in some cases went back for several generations.

It was at this point that the Economic Development Administration stepped in. I would not say that it has been easy or quick work, restoring the stockyards area to its former economic vitality. But I will

say that EDA and the people of the area have made tremendous progress, working together to restore the life of the area.

People have developed new skills, new businesses have been attracted to the area based on the natural geographic and transportation advantages the stockyards area has always had, and, even more, based on the economic assistance EDA has been able to offer, the stockyards have come a long way on the road back to prosperity.

There is no doubt in my mind that EDA has done similarly outstanding work in the hometowns and districts of other Members of Congress as well. So I think it would be a very grave error to allow this program to end now, when it is doing so very much for the people of our Nation. I plan to vote in favor of H.R. 2246, and I urge other Members of the House to do the same.

Mr. FULTON. Mr. Chairman, I am pleased to join with more than 100 of my colleagues in this bipartisan effort to continue the Economic Development Administration for the fiscal year 1974. H.R. 2246 proposes extension of the EDA authorization for another year and was reported out of committee with unanimous support. This action speaks for itself.

The Economic Development Act has demonstrated over time to be one of this country's most successful instruments in helping localities to help themselves. I find it especially poignant that today when many sections of the Nation are plagued by excess unemployment, the President should choose to discontinue a program that has shown itself effective in reducing unemployment.

I have been a consistent and active supporter of EDA, yet I have felt somewhat uninspired by the past legislation. Because EDA is a proven combatant of unemployment and a proven stimulant to economically depressed areas, legislation is in order to expand, not reduce, the capabilities of the act. Indeed, increased appropriations upon next examination of the EDA, may again be desirable.

Tuesday of this week, I testified before the Joint Study Committee on Budget Control to endorse reassertion of legislative control over the budget process and to present proposals to accomplish this. The legislation before us today is, I believe, a reiteration of this desire to establish spending and program priorities as the Congress determines, under the power vested in it by the Constitution.

As we stand in concerted opposition to this cutback, let it serve to signal the Executive of our intention to assert ourselves in other areas of budget formulation and priority establishment.

The State of Tennessee is only one example among many of what a program well conceived and well executed by the EDA can accomplish. During fiscal year 1972, the last year for which data is complete, the Tennessee EDA programs were funded more than \$62 million. These moneys went toward public works, business development, and technical and planning assistance.

These projects have helped many citi-

zens of my State not only to find work, but to maintain gainful employment. In addition to the immediate effect of boosting area economy, EDA projects produce long-term ongoing benefits. Many projects would not be otherwise initiated if municipalities had to underwrite the full cost.

The rationality and desirability of the EDA programs speak for themselves. This Nation must take positive action to relieve the detrimental effects of widespread unemployment. Helping individuals to help themselves is the keynote of any useful social welfare legislation. In this worthy effort, EDA has been virtually a beacon in a sea of darkness.

The President is correct when he argues that wasteful, ineffectual programs must be pruned from the growing national budget. Yet he has chosen to include in his effort a program of proven worth. His is a significant oversight which I am hopeful the Congress will rectify. I urge all Members to join in this effort.

Mr. MELCHER. Mr. Chairman, I am pleased to join in urging my colleagues to support H.R. 2246 to extend the Public Works and Economic Development Act authorizations 1 year to June 30, 1974.

The Economic Development Administration has been one of the most imaginative experiments Congress has launched in recent years. Its wide latitude of operation and approach has resulted in some noteworthy successes and also some failures.

EDA has some 7 or 8 years' experience behind it to permit an evaluation and an objective look and judgment to be made by Congress. But the administration wants to kill EDA like a horse with a broken leg whose owner decides to put out of its misery. The administration's proposal for immediate dismantling or execution does not fit the case. Rather the great successes for individuals, communities, and Indian reservations should be emphasized. Congress must drastically demonstrate through overwhelming passage of this bill that extension of economic development programs are urgently needed.

I cannot emphasize enough how significant EDA's contributions have been to our rural problems in Montana. About one-half of Montana's 56 counties, which historically suffer from outmigration, high unemployment, low per capita income levels, and lack of economic diversity are EDA designated areas along with seven Indian reservations.

Since its origins, EDA has planted some \$15 million in seed money in Montana in more than 100 projects covering economic planning, technical assistance, public works, and business development loans. It has supported the excellent Center for Industrial Development at Montana State University, which has tackled such tasks as tourism on Indian reservations, livestock-woodland waste, recreational development, electronics manufacturing, trout development, fiberboard manufacturing, increased tomato production, underground mushroom farming, and others. Expiration of the authorization also means the

end of financial support to several regional economic development commissions and possibly their demise. Montana, Wyoming, Nebraska, and the Dakotas only recently formed the Old West Regional Commission to combat common problems. With the task barely begun, ending EDA would knock out the props. We cannot allow that.

The administration has not proved its case that the functions and thrust of EDA will be assumed by the Agriculture Department, Small Business Administration, and the Bureau of Indian Affairs.

EDA has offered some new hope, some new direction in otherwise hopelessly depressed areas. EDA has been that little extra boost when there was no other way. EDA's helping hand has been not only financial but psychological at critical turning points.

My instincts as a veterinarian tell me EDA is a horse worth curing and sending out to do more productive work.

Mr. EVINS of Tennessee. Mr. Chairman, I want to associate myself with the remarks of the distinguished gentleman from Alabama (Mr. JONES) and others in strongly endorsing and supporting H.R. 2246, a bill to extend the Economic Development Administration and its programs for one year.

As a cosponsor of this bill, I want to say that certainly this is a reasonable bill and assuredly the great work of EDA in industrial development in rural areas and small towns should be continued.

I am advised that more than 1,100 counties have been declared eligible for EDA assistance in the form of business development loans, public works grants, technical assistance, and other vital and important assistance which this Agency can provide.

I have seen the impact of this program in the Fourth Congressional District of Tennessee, and in many counties of Tennessee, where business and industrial development have been assisted and accelerated with resulting increases in employment.

The life and work of the EDA should be extended—I urge support of this bill.

Mr. WON PAT. Mr. Chairman, I rise in support of the bill now before the House, H.R. 2246, which authorizes the continuation of the Public Works and Economic Development Act for a 1-year period.

Since Congress enacted the original program in 1965, thousands of our citizens have been provided jobs through public works projects—jobs which they might not have had were it not for this act.

Although the territory of Guam is thankfully an area of low unemployment, I agree with my fellow cosponsors of identical legislation that there are many areas of this country which continue to suffer from a high unemployment rate. With unemployment continuing to run over 5 percent on a national level, it is imperative that Congress act now to continue funding this worthwhile program.

During today's debate, many of our colleagues have attested to the effectiveness of the economic development program. Should my own district of Guam

ever suffer the misfortune of having large numbers of our people out of work, it is comforting to know that Congress had the foresight to enact the Public Works Act.

Last year, Congress labored long and hard to pass another extension of the Public Works Act, only to have it rejected by the administration as supporting a program which was "ineffective." I trust that this revised version will be accepted in lieu of any future special revenue-sharing package which the President might wish to present to Congress. To let this legislation die would be denying local governments the ability to provide needed public works projects.

I therefore urge each of my colleagues in the House to give their wholehearted support to H.R. 2246, a bill which will continue to show the unemployed workers of America that Congress cares about them.

**Mr. MEEDS.** Mr. Chairman, I urge the passage of H.R. 2246, to extend the life of the Economic Development Administration for another year.

Many of those speaking today have outlined the national impact of the Economic Development Administration since its inception in 1965. EDA has indeed created many jobs nationally and should continue in this role. But more important to me is the immediate impact EDA has had on my constituents and the economy in the Puget Sound area of Washington State.

Despite high-placed claims of rampant prosperity, the number of unemployed in the Puget Sound area remains at an unacceptable level. In the three main counties of my congressional district, Snohomish, Skagit, and Whatcom, unemployment was recently estimated at more than 8, 13, and 9 percent, respectively.

EDA has granted more than \$15.5 million in job-creating grants or loans in these three counties since 1965. These Federal grants have helped start industries, improve water systems and roads, expand ports and prepare for economic development. Among the outstanding projects were an expansion at the Port of Everett, water projects to aid industrial development in Anacortes, Everett, La Conner, Mountlake Terrace, and by the Skagit County PUD; key business loans in the Everett area and pioneering work on the Lummi aquaculture project in Whatcom County.

To lop off EDA at the end of June, as President Nixon's proposed fiscal 1974 budget proposes, would be destructive folly. I find it hard to follow a logic that says economic development should be stopped at a time of high unemployment. This is one of the most discouraging examples of false economy I have ever seen. It is adding insult to injury to demand that the agency go out of business in a few months without proper transfer of functions to other departments.

There are more than \$1 million in applications for EDA grants now pending from my congressional district that would likely be lost in the shuffle of a bureaucratic turnover. Included in these

pending applications is the vital Norton Avenue Street project in Everett, planning grants for the Swinomish Industrial Park and loans in the discussion stage to help other job-creating projects.

EDA is needed to build a better economic future in the Nation and Second Congressional District. It is for that reason I am a cosponsor of H.R. 2246 and urge its passage by the House.

**Mr. HARRINGTON.** Mr. Chairman, I support the extension of the 1965 Public Works and Economic Development Act because I feel that it is essential to the economic well-being of this Nation. This is especially true when general revenue sharing is only in its trial period, when the prospects for special revenue sharing legislation are uncertain at best, and when the Rural Development Act cannot be fully implemented for a number of months.

Our economy is at a critical stage in its recovery from the 1970 recession. Inflation and unemployment have dealt severe blows to industry and labor from which both are still recovering. The recent devaluation of the dollar indicates that we still have a long way to go to restore prosperity to our economy.

Continuity in our economic policies is vital because of the delicate balance existing between demand and supply, between labor and business, and between the major production, distribution, and consumption sectors of our society. Terminating a major development program like the 1965 Public Works and Development Act could prove so disruptive that not only would we lose all the gains we have achieved but the ultimate result could be another major recession. This is not the time to again risk recession. It is a time to bolster our economy and to assure continued growth in the months and years ahead.

Two of the major industries in my congressional district, the shoe and fishing industries, are experiencing severe economic problems. As a result, they have become dependent to a large extent on the funds they receive from the Federal Government through programs established under the Public Works and Economic Development Act.

Termination of these programs would place a tremendous financial burden on the people of my district in two ways:

First, increased unemployment; and

Second, higher taxes caused by a shrinking tax base and decreasing Federal assistance.

Last year alone, my district received \$650,000 from the Economic Development Administration. These are funds we cannot afford to lose at a time when unemployment in Massachusetts still exceeds 7 percent and when our recovery from the 1970 recession is lagging sadly behind the rest of the Nation.

Many areas of my district are depending heavily for economic improvement on continued assistance from the Economic Development Administration.

For example, the city of Haverhill has an unemployment rate of 9 to 11 percent versus a national rate of only 5 percent. Haverhill desperately needs a larger tax

base and is working to attract new industries to the area.

Land has been set aside for an industrial park. Plans for a water supply and a pollution abatement system have been completed. Funds for the installation of the water system are being supplied by the city of Haverhill and a grant for the pollution abatement system is being provided by the Environmental Protection Agency. The city of Haverhill has completed all the necessary requirements for a vital EDA grant, including an environmental impact statement.

This industrial park cannot be built, however, without an EDA grant. The city simply does not have the resources to go it alone. It needs the partnership of the Federal Government. And without the park, Haverhill will be set back several years on its road to economic recovery.

The budget asserts that EDA programs will be picked up by the Farmers Home Administration under the new Rural Development Act and by the Small Business Administration. However, only \$10 million in grant funds were requested under the rural industrialization program as contrasted to nearly \$140 million in public works grants made by EDA in fiscal year 1973. RDA does not authorize technical assistance activity of the type previously funded by EDA, and EDA has not provided loans to businesses eligible for SBA services for years. Preference for community development corporation in EDA programs mandated by law last year becomes meaningless with the disappearance of EDA.

Regionalism is a necessary and practical method that must be used in our fight to solve the economic difficulties that face us now and in the future.

I previously testified on the New England Regional Commission before the Special Subcommittee of Economic Development Programs of the House Public Works Committee on February 27, 1973. The New England Regional Commission has had some problems in the past, but I feel that, with the reforms suggested in my testimony, the Commission can be an effective and vital instrument in our economic development. I would like at this time, Mr. Chairman, to submit for the RECORD excerpts from my statement.

EXCERPTS OF STATEMENT OF HON. MICHAEL J. HARRINGTON BEFORE THE SPECIAL SUBCOMMITTEE ON ECONOMIC DEVELOPMENT PROGRAMS OF THE HOUSE PUBLIC WORKS COMMITTEE ON FEBRUARY 27, 1973

Mr. Chairman, I would like to express my gratitude to the Committee for allowing me this opportunity to present my views at these hearings.

I appreciate this chance to testify because I feel that the extension of the Public Works and Economic Development Act is especially essential to economic growth since general revenue sharing is only in its test period, special revenue sharing legislation is uncertain, and the Rural Development Act cannot be fully implemented for a number of months.

The section of the Public Works and Economic Development Act that is of special importance to me is Title V, which established the New England Regional Commission.

Yet it has become clear that the New Eng-

land Regional Commission has failed totally to accomplish any of its objectives.

High unemployment, aging industries and astronomical energy costs are only a few examples of the problems that have not been solved. The Commission is riddled with overpaid employees who were appointed to its staff with no thought given to their experience or competency. The Commission has become a convenient vehicle for the handing out of expensive rewards for political favors.

However, I feel that regionalism is an excellent and viable concept in eliminating the economic difficulties which face us today.

The problems of New England are not restricted to any one state. They are unique to the region as a whole. Therefore, I believe the New England Regional Commission can solve this fundamental crisis which confronts us if the following changes are made:

(1) the Executive Committee should also be required to approve all grants and programs of the Commission and all executive staff appointments (\$10,000 or more in salary).

(2) monthly meetings of Executive Committee and quarterly meetings of Commission be mandated.

(3) all staff appointees must pass appropriate civil service exams and shall be paid in accordance with civil service salaries.

(4) the public, political and business communities must become aware of and accept the basic concepts on which the Commission was formed.

(5) Congressmen from New England must become more involved in the activities of the Commission.

I would now like to present the background of the Commission, why it failed, and expand on what can be done to improve the situation.

#### BACKGROUND

The New England Regional Commission (NERC) was established under Title V of the 1965 Public Works and Economic Development Act. The regional commissions are charged with developing long-range, comprehensive programs for the region, coordinating Federal and State economic activity, and increasing private investment. Action is required by law in two areas—legislation and planning. According to the NERC 1972 Annual Report, programs are chosen on the basis of three main concepts:

First, preference is given to programs that are regional in nature and respond to the common problems of the six states;

Second, programs are stressed which have a direct impact on employment and income of New England residents, and which make significant improvements in the services and facilities to support development; and

Finally, the Commission tries to use its resources as a catalyst for new ideas and programs.

They have failed in all three areas.

#### WHY THE FAILURE?

As of last November, NERC had the largest staff (38) and paid the highest salaries (the average is \$19,000) of all the regional commissions. Yet the Commission is a failure. It has failed totally in two areas where action is required by law—legislation and planning.

We owe a debt of gratitude to the Boston Globe Spotlight Team for uncovering some of the glaring failures of NERC and expanding our knowledge of the problem.

According to the Globe, the commission has spent less than one percent of its Federal funds on business development and this program called the New England Industrial Resource Development (NEIRD) had failed by October of 1972 to produce one new company or job.

Most of the money has gone to ongoing programs which are initiated by other agencies and have little or no regional impact.

For example, the publication of "Venture Capital" by the New England Industrial Resource Development. The publication costs \$59,000 and contains information on 100 firms which are in the business of lending money to prospective entrepreneurs. There was a similar book by a Chicago firm called "Guide to Venture Capital Sources" which had listed 86 of the 100 firms in "Venture Capital."

The Commission has been run sporadically by the six governors of New England. They have not run sporadically by the six governors of New England. They have not exercised any real control over the Commission. Referring to the lack of oversight, Governor Licht of Rhode Island said, "I have a feeling that many things are being studied to death" (Providence Journal account of a meeting held July 7 at Mystic, Connecticut.) This situation has been corrected, but we must be watchful and make sure past problems do not recur.

There are only three staff members with backgrounds in economics or planning.

All technical problems and research are done by highly priced outside consultants. There is no civil service exam requirement with the result that there is no staff expertise. The Commission had to spend \$100,000 to have its long overdue five-year economic plan drawn up by four outside consultants. A review of the Commission prepared for the U.S. Commerce Department by A. D. Little, Inc., found uniformly negative results stemming from token Federal funding, rapid staff turnover, blurred lines of authority and mutual indifference between Commission and federal funding agencies. The review found the Commission's programs have little or no follow up.

Of all the regional economic development plans in the country, NERC was the last one completed. This long overdue Economic Plan is filled with inaccuracies and inconsistencies. The Plan called for 127,000 new workers which must be immigrated into New England before economic development can begin and then later in the report said that labor force is sufficient to handle any economic expansion.

The Plan asks for \$1.5 billion for the next five years. This is an increase of 5,000 percent.

#### WHAT CAN BE DONE?

Blame for the failure of the Commission lies in two places. One is with the Executive branches of both the Federal and state governments. NERC has never been taken seriously by either of these groups. It is just a high level political payoff, a sophisticated pork barrel. NERC, it seems to me, was never considered an important tool to use in solving the major problems of the region.

Responsibility for NERC's failure also rests with Congress, especially with the members of our New England delegation. We offered little leadership or guidance—set no priorities. By ignoring the Commission, we allowed it to deteriorate into the kind of organization it became.

It would be a mistake to simply abandon NERC. New England's problems call for the kind of regional solutions that NERC can help coordinate. In my view, one of the most important functions for the Commission is to encourage the attraction of growth industries to New England. The First National Bank of Boston has already laid the groundwork by identifying the kinds of industries that would contribute to the region's economic health. The Commission should work toward creating an economic climate that would encourage the attraction of these industries.

This effort should include programs designed to make the cost of energy in the region more competitive with other regions of the country; and a job bank with job

placement and manpower training programs to coordinate and provide the kinds of skills needed by new industries. Other ideas the Commission might concern itself with would include a regional development bank, equalizing rail rates as compared to other areas of the country, strengthening the New England Energy Policy Staff, and legislation to offer tax breaks for firms which locate in severely depressed areas.

A second equally important area the Commission should devote its resources to is a nationwide land use policy, especially a coastal zone management policy. One of New England's greatest assets, both from an esthetic and economic viewpoint, is its seacoast. Any program of economic expansion must go hand-in-hand with an equally well-developed program of environmental protection and land management.

Last March, I testified before your Committee on the New England economy. At that time, I stressed the need for an agency—like NERC—that could coordinate the activities of numerous Federal, State, local, and private groups toward the attainment of specific goals.

I still believe we need that kind of agency in New England. New England's economic problems are unique. We are at a natural economic disadvantage in such areas as climate, location and lack of resources.

For example, all States shared in the Nixon recession of 1970 and most are now recovering rapidly. New England's economic recovery, however, is proving laggardly at best. Although the national unemployment rate in December declined to around five percent, it was 5.7 percent in Connecticut, 6.4 in Maine, 4.3 in New Hampshire, 5.8 in Rhode Island, and 6.1 in Vermont. Massachusetts has the highest of the New England States at a 7.1 unemployment rate.

New England has the highest electrical costs in the country. Our area is making gains in new durable industries (i.e., electrical machinery, scientific instruments) at a rate only one-half as much as the rest of the country and most of these are on the precarious base of Federal purchases.

But New England can and must be helped. A recent study by the First National Bank of Boston pointed out that right now New England enjoys a comparative advantage in the fields of pollution control devices, biomedical technology, and the computer peripheral industry.

These industries have one thing in common—They are unlike traditional manufacturing industries which manufacture goods primarily bought by the individual consumer for their individual needs. The products they help produce are called social goods in that they benefit the whole society rather than an individual consumer.

New England is an ideal candidate for regional development. It is a microcosm of the U.S. Three states are heavily metropolitan, three states are characterized by small towns in a rural setting. The region suffers from all of the problems that affect the nation as a whole. Its air and water are polluted in many areas. Its infrastructure is growing obsolete—new roads, rapid transit systems, port facilities, electric generating units all are badly needed. There is room available for the creation of new towns to relieve urban congestion. And most important, there is a highly skilled labor force that can adapt to meet these new priorities.

Only an intergovernmental body, operating with a broad and flexible mandate, will be able to coordinate the activities of many diverse agencies, governments and industries, to achieve meaningful results.

However, I believe that it is necessary to make certain structural changes in the management and operation of the Commission for it to be truly worthwhile. The principal fault with the NERC has been a lack of

supervision and direction from the New England governors and the Congressional delegation. These groups must play a more active role in the day-to-day operations of NERC.

We must devise a mechanism to permit and encourage Congressional input into Commission policy; this would have the effect of strengthening the Commission's position with the Committees of Congress responsible for its authority and appropriation.

Finally, all staff appointees must pass appropriate civil service exams and shall be paid in accordance with civil service salaries. This reform should increase the technical qualifications of the staff and make their pay more reasonable and more in line with the pay of similar professionals elsewhere in society—thus making the Commission staff a less appealing political payoff.

The reforms I have suggested will not solve the problems of the Commission in and of themselves. To reserve the downward trend of New England's economy it is necessary that public, political and business communities become aware of and accept the basic concepts on which the Commission was formed. But the reforms I offer will create the opportunity of a more productive Regional Commission which we all recognize as something that is sorely needed.

Mr. BURKE of Massachusetts. Mr. Chairman, I urge all of my colleagues to rise in favor of H.R. 2246, the extension of the Public Works and Economic Development Act of 1965. In these days of big government it is indeed refreshing to know that some programs are working and certainly the Economic Development Administration is one of these. During public hearings on this bill a cross section of America rose to testify. What legislation currently before Congress can boast of the support of the National League of Cities, the U.S. Conference of Mayors, the AFL-CIO, the National Association of County Officials, the Navajo, and Haida Indians, those from the banking, business, and consumer establishments and a Council of Governors? Very few, if any. It is significant that this bill received unanimous and bipartisan support from the subcommittee on Economic Development. Clearly H.R. 2246 has the support of almost every sector of our country but may I say that reasons for its passage do not end there.

The Economic Development Administration has a reputation for being one of the least bureaucratic agencies in America today. Current administration plans would disperse its duties and responsibilities to other Federal agencies, the result being its assignments, especially revival of depressed areas, getting lost in the shuffle to more generalized agencies and programs. The EDA has been functioning well on its limited appropriation and its long history of success seems to merit an increase of funds, not a cutback. Much of the EDA assistance is not found anywhere else in Federal or State agencies. There have been mistakes in the administration of EDA, no one will deny this, but H.R. 2246 takes this into account by extending it for 1 year and provides a time for study of alternative means of stimulating economic development. The price tag of \$1.22 billion is a comparative bargain when the effects of a substantial increase of un-

employment and loss of business productivity is considered. The administration already plans an end to the emergency employment program authorized by the Emergency Employment Act of 1971. This alone is estimated to add 200,000 to the unemployment rolls and will also result in an increase in our already overburdened welfare program. Couple this with planned massive cutbacks in Federal agency employment and there will be an increasing need to stimulate employment and business activity in economically depressed areas.

H.R. 2246 would also extend the life of the regional commissions. I need not remind my colleagues of the laudable concept these commissions are based on—stimulating and implementing economic development. The New England Regional Commission—NERCOM—recently released its annual report for fiscal year 1972. It detailed the sad state of the New England economy, a \$50 billion enterprise annually. The NERCOM has tried to implement a comprehensive economic plan for New England but sufficient funds have never been available. If the EDA is allowed to die, the progress the regional commissions have made will be forgotten. The NERCOM report itself says:

Metropolitan central cities, smaller metropolitan and non-metropolitan areas will all have continuing and severe problems of industry mix, unemployment and low incomes unless forceful public action is taken.

I believe H.R. 2246 is a small step in this direction. I say small because when the state of our economy, especially New England and my own 11th Congressional District of Massachusetts is detailed, it becomes apparent what an enormous job is before us.

In recent decades, New England and the 11th Congressional District have experienced the exodus and/or decline of two major industries; textiles and shoes. It has encountered fierce competition from more favorably endowed resource-intensive regions. It has felt the force of discriminatory fuel and energy policies. Its North Atlantic fishing grounds have been invaded and its fisheries harvest diminished. There is a diminishing demand for low-skill and blue-collar jobs. A financial crisis at local and State levels of government limits levels of government services for both employment and investment. Unemployment rates are high; 5.1 percent nationally, 7.1 percent for the State of Massachusetts, 6 percent for the Boston standard metropolitan statistical area—SMSA. The city of Quincy and the Brockton SMSA, both in my district, are suffering from unemployment rates of 8.9 and 8.7 percent respectively. Economic growth is lagging. A particularly alarming figure is the number of manufacturing jobs that have left Massachusetts in the last 5 years, 100,000. To bring the Massachusetts unemployment rate down to a "respectable" 4.5 percent, 98,000 jobs a year for the next 3 years would have to be created. Sadly enough, the actual number of jobs created last year was estimated at 6,000.

In the face of these depressing facts,

to propose elimination of EDA would be farcical. But the administration feels our economy is vibrant enough to render EDA unnecessary. The facts are that EDA is needed now more than ever. Our economy is making noises as if it is starting to come to life. Investment is creeping up. Unemployment is high, too high, but shows signs of decreasing. Now is the vital time to give the boost our economy needs. When a child's wounds begin to heal, do you peel the bandage off and expose them? No, it could lead to infection. Are we to leave our economy open to infection when its wounds are just beginning to heal? I would hope not, Mr. Chairman. The EDA is helping to heal our economy's wounds. To discontinue its work could have disastrous implications. I am proud to be a cosponsor of H.R. 2246 and urge all of my colleagues to pass this legislation with an overwhelming vote. We must take small steps before we can run. Our economy is starting to come to life. Let us give it all the help we can. Maintenance of a national economy at a high level is vital to the best interests of the United States.

Mr. McSPADDEN. Mr. Chairman, one of the strongest boosts to eastern Oklahoma's economy in recent decades has been that of the Ozarks Regional Commission. Created in 1965, Ozarka, as it is known in Oklahoma's Second District, has had a full impact on practically every phase of economic and social life.

Where previously, outhouses were in use, now there are flush toilets.

Where previously, water was hauled in tanks, housewives have fresh potable water on tap.

Where once vocational training was nonexistent, now students toil in the classroom and on the job having learned a useful, productive skill.

Where once air traffic was a rarity, now daily commuting is commonplace from airports which have been built or expanded in Oklahoma through Economic Development Administration and Ozark Regional Commission.

EDA is not a boondoggle; EDA brings funds to broaden the economic base of the rural areas to make a better life in rural America and try to help bring a stop to outflow from rural to urban areas—a goal of the President.

I urge extension of the EDA program and that my colleagues join in breathing new life into regional commissions, such as Ozarka, which will breathe new life into rural America.

Mr. FUQUA. Mr. Chairman, here we go again. President Nixon has once again attempted to eliminate an effective and beneficial program of importance to areas which are economically depressed. Here we are at a time when the unemployment figures have just taken a jump and the President has proposed the elimination of the Economic Development Administration which has authority over programs designed to reduce the suffering associated with substantial and persistent unemployment and underemployment. I must once again assert that the President has shown an unfortunate disregard for the needs of the American

people and has set forth a most unhealthy list of priorities for our citizens.

Federal financial assistance through grants for public works and development facilities to communities and industries is greatly needed to revitalize these economically depressed areas and I strongly urge support for the legislation we are considering today. I am a cosponsor of this measure and feel strongly that it should be passed. This 1-year extension of the EDA programs is essential so that studies can be completed which are now underway by the House and Senate. It is also necessary that we have an adequate transition period to transfer obligational authority if it is shown that better ways can be developed to relieve economic hardship and unemployment in our economically depressed communities.

It is important, however, to remember that the Congress must make this determination. If the President wants to recommend that the Economic Development Administration be abolished, I urge him to contact the appropriate House and Senate committees and make his views known. I am not prepared to stand by, however, while the President arbitrarily and unilaterally dismantles an agency which has been as important to the economy of my congressional district as has EDA.

The legislation we are considering today would have a most beneficial impact on those areas with a large concentration of low-income persons, substantial and continued unemployment, or actual or threatened unemployment as a result of closing or curtailment of a major source of employment. Planning assistance grants, technical assistance grants, and public works grants and loans from the Economic Development Administration have contributed some \$4 million and assisted in the creation of 5,000 new and permanent jobs in an 11-county area represented by my good friend and colleague, the Honorable Bob Sikes, and myself. Of equal importance, the EDA program to authorize and establish multicounty districts under local leadership to develop and implement programs for economic progress in rural America has been highly successful in bringing together previously fragmented and uncoordinated efforts for rural development. The Northwest Florida Development Council and Economic Development District was the first designated Economic Development District in the State of Florida and has been an important catalyst in efforts to improve the quality of life for citizens within its 11-county jurisdiction.

Unemployment and underemployment is a critical problem in our rural areas. In my congressional district the figures are cause for great concern. The State of Florida Department of Commerce has recently released Basic Labor Market Information on the counties in Florida. My home county of Calhoun had unemployment of 13.3 percent in March 1971. In March 1972, the figure was still a dramatic 7.7 percent. In March 1972, Franklin County was experiencing unemployment of 9 percent. Gadsden County had an unemployment rate of 13.1 in March 1971, and 9.3 in March 1972.

Liberty County showed an unemployment rate of 7.9 in March 1972. Calhoun, Franklin, Gadsden, Jefferson, Madison, Suwannee, and Wakulla Counties were all qualified and eligible for EDA assistance in some form.

As of January 8, 1973, various EDA programs have provided assistance to eligible communities in my district. A planning grant was approved for the Northwest Florida Development Council; a public works project was approved for Wakulla County; a water and sewer project application is pending for the city of Monticello; and a feasibility study under the technical assistance program is being funded by EDA for Madison County, Fla. These programs make sense. They have demonstrated an effectiveness and stability which must not be sacrificed.

One of the most rewarding of all EDA projects in my district was the approval of a \$1,100,000 loan to help reopen a wood-processing plant and create 87 jobs in Calhoun County, Fla. This plant will soon be producing insulation board used as sheathing in the home-building industry. The firm will purchase waste-wood chips and shavings from mills in the area. In addition to creating job opportunities for the unemployed, the insulation-board plant will provide job opportunities for area residents who are now commuting to jobs in distant places. The Calhoun County Industrial Development Corp. is lending \$110,000 in the project, and Abitibi Florida Corp. will provide \$990,000 to complete the \$2,200,000 total cost. The EDA loan is repayable in 17 years at annual interest rate of 6 1/2 percent. The funds will enable Abitibi Florida to install new machinery and equipment at the plant which has been shut down for about 3 years. This is but one example of the outstanding services EDA has provided our citizens and I am not about to stand by while this agency is destroyed. Improving the quality of life in our rural areas and eliminating the blight of our major cities should be priority items before this Congress. The need for national healthcare insurance, an equitable highway program, a reasonable minimum wage, workable consumer protection legislation are all being held hostage by the administration as the Congress must continually combat executive arrogation of congressional prerogatives. I want to be able to tell my constituents that I am working on new and innovative programs to make their lives more enjoyable and fruitful and not have to tell them that I spend every day fighting for the life of this program or that one which has traditionally provided effective and much-needed assistance. The irony of this whole thing is that the President—and I do not think that this can be said often enough—has cloaked these unfortunate cutbacks in domestic programs under a veil of fiscal responsibility.

The facts must be gotten to the American people that the President is at least as much to blame as the Congress for runaway Federal spending. I am a fiscal conservative and I challenge the President to demonstrate the same. The President has requested and signed into law

appropriations bills adding over \$100 billion to the national debt since he entered the White House. We are now spending something over \$24 billion a year just on interest on the national debt. Yet, President Nixon has requested budgets with greater deficits than the combined deficits requested by Presidents Eisenhower, Kennedy, and Johnson. The President has not demonstrated a willingness to cut Federal spending but only a willingness to eliminate Federal spending in a few select areas which have been most effective in meeting domestic needs.

Are we going to allow the welfare rolls to grow and grow until we are completely overwhelmed? Congressman JOHN McFALL, who has been a primary mover in economic development legislation, has pointed out that the President's proposal would add hundreds of thousands to the unemployment and welfare rolls. The administration's plan to end the PEP program authorized by the Emergency Employment Act of 1971, of which I was a cosponsor, would add approximately 200,000 employees to these rolls.

I reject the President's budget request for EDA which is just enough to cover the administrative expenses of closing down the program. Here again, the President has gone beyond the constitutionally questionable activity of impounding appropriated funds and has taken the absolutely unconstitutional action of abolishing Federal programs and agencies established by the Congress. How many times must we remind the President that he has a constitutional responsibility to see to the faithful execution of the laws? I am concerned that the President takes the word "execution" to mean "kill." I hope that we are all in agreement that the original framers of the Constitution meant that the President was to faithfully carry out the laws. And this does not mean carry them out of existence.

As a cosponsor of this legislation, I encourage you to join with me in asserting the very proper responsibilities of this body and insure that our constitutional power as designer of national priorities is not usurped by a heavy-handed executive. The concept of the EDA programs—helping communities to help themselves—is sound and must not be eliminated summarily without the consent of the Congress.

Mr. CASEY of Texas. Mr. Chairman, we are here once more to sponsor an extension of the Economic Development Administration. The speakers who have already expressed their support of the Economic Development Administration do no more than urge the Congress to continue its traditional concern for the less-privileged sections of our country and society.

This measure is no new, untried idea. In the past, this legislation has successfully aided many areas of the country, raising them out of economic depression. We are here to enable the Economic Development Administration to continue these programs of helping the people.

In an age when change is a constant feature of life, the Economic Development Administration can prevent and restore the damage left in the "back-

wash" of progress. Progress can take advantage of human resources or seemingly shunt them aside. The EDA programs will help us to utilize these human resources—our most important resource—to their greatest extent.

This legislation has proven its value as an aid to local areas and I urge the extension of EDA authority for another year. By doing so, the Members of Congress will maintain their stand in favor of the less-privileged and the depressed areas of our country. Once this bill is passed, however—as I am sure it will be—we must not abandon it. In the months to come the Congress must shield it against the cuts and impoundings which the administration undoubtedly contemplates for the EDA.

Mr. Chairman, I am pleased to be one of the cosponsors of H.R. 2246; I urge its speedy adoption and implementation.

Mr. STAGGERS. Mr. Chairman, I was a cosponsor of the original bill which set up the Economic Development Administration in 1965. At the present time I wish to register my strong support of H.R. 4822, which would continue this act for another year.

As you are aware, the Second Congressional District of West Virginia, which I have the privilege of representing, is a part of the Appalachian area suffering from persistent unemployment.

In the last year or so the district has made significant strides forward. A number of small industries have established themselves throughout the area. They have absorbed a part of the unemployed, but the rate of unemployment had been so high that there is still a large reservoir of unemployed, most of them competent in some useful skill. We need more jobs, quickly.

The loss of even one job has a frightening effect on the small communities which are characteristic of our area. Gloom replaces optimism. Small businesses fear to expand in a falling market. We could lose what we have gained.

On the other hand, the prospect of new jobs and of community improvement through public works may be just what is needed to nudge us across the borderline between depression and prosperity. The bill under consideration is designed to give us that push. The resources and the spirit are there. I sincerely hope we can utilize these invaluable assets.

The measures proposed by this legislation are free from the charge of being "made work." Public works projects which will be activated are improvements which must be made in any event. The sooner they can be completed, the greater the advantage to the community. No Government subsidy offered previously has ever served the public better.

My West Virginia district has a number of projects planned and ready for acceptance. Immediately after announcement of this proposed legislation was first made, I had a number of requests asking for help on water and sewer projects, pollution abatement, and so forth. I am confident numerous others will be submitted the moment the legislation becomes public law.

Among all the proposals to deal with

public problems, especially unemployment, it is my opinion that this is the most practical one on the list.

Mr. WAGGONNER. Mr. Chairman, the Public Works and Economic Development Act of 1965 has created two agencies which have done outstanding work for the people of our Nation—the Economic Development Administration and the title V regional commissions.

The activities of EDA and the regional commissions are all aimed toward a single goal—creating long-term jobs for people who have no jobs now and who suffer from the problems of low and uncertain income. This is a commendable goal, and it is one which the commissions and EDA regularly attain.

I have personally seen the results of EDA and the regional commissions' work, and I have heard a great many witnesses over the years who have assured me that the excellent work done by these agencies is not found only in Louisiana. EDA and the regional commissions work in the most depressed areas of our Nation—the most difficult areas one can imagine in which to create job opportunities—and they consistently are able to bring economic opportunity and hope to the people of these regions.

Testimony presented last year made clear that EDA and the regional commissions have been responsible over the years since their inception for locating more than half a million jobs in distressed areas of our Nation. This is a tremendous contribution to the overall prosperity of our people—it represents fully 10 percent of our current unemployed population.

If EDA and the regional commissions, working on the severely limited budgets they have had, can account for enough jobs to lower the unemployment rate to such a significant degree, then I think there is no question but that their work should continue. H.R. 2246 should be passed by the Congress, and by such an overwhelming margin as to make clear both to the people of our Nation and to the administration that the Congress firmly intends that the economic development work of these programs will be continued.

Mr. JOHNSON of California. Mr. Chairman, the Economic Development Administration—EDA—created by the Public Works and Economic Development Act of 1965, has done an excellent job of bringing jobs and economic opportunity to the distressed areas of our Nation, both rural and urban.

Nevertheless, the administration has proposed that EDA be phased out when its current authorization expires on June 30, 1973. This action would be a tragic error.

EDA has proved over the years that they provide effective means of bringing jobs to people who have long suffered the effects of unemployment, low-family income, and lack of the economic opportunities enjoyed by their fellow citizens.

In my own second congressional district of California, Economic Development Administration funds in excess of \$25 million have made possible a host of projects which have made possible new

and improved water and sewer systems, public buildings, including hospitals, and other necessary facilities which in the final analysis has resulted in creation of many, many permanent jobs through the expansion of this facility.

In place of these tested existing programs, the administration has suggested a number of untested and even not yet existent new programs. These administration proposals are far from satisfactory.

For example, the administration's proposed Urban Community Development Revenue Sharing program—if it were passed by the Congress, which is by no means certain—could not possibly go into effect until fiscal 1974. Even the President's budget recognizes this. This would leave a gap of a full year between the termination of EDA and the beginning of a new program. This alone is certainly a compelling reason to continue the current programs for another year.

For areas such as that which I represent here in Congress, we face a further problem in that most of the water and sewer projects and many of the other public facility projects, such as libraries and hospitals, and so forth, are built, operated, and administered by special public districts, utility districts, water districts, hospital districts, and sanitary districts and the like. Neither county nor municipal government offer this type of service to the rural areas and there is certainly grave concern that any revenue sharing program would be broad enough in scope to help these local districts of which there are thousands in the State of California.

The assistance offered for public facilities under the Rural Development Act, another proposed substitute for existing programs is predominantly loan assistance. This is not a satisfactory replacement for the grants which EDA can make to communities.

Typically, under the Farmers Home Administration loan program, the size of the project, a water line, for example, is determined by the amount of monthly revenue which can be raised from users. In a small town, say 1,000 families, each paying \$10 per month, the total annual revenue available for amortization and interest would be \$120,000.

Obviously, this amount of money dictates a small project—for example, a 4-inch waterline. No industry will come to a town which offers this size waterline and the town is, in effect, locked into a no-growth situation. To get an employer of meaningful size to come in, the town would have to lay a new, larger, water system, something they could have done in the first place had they received a grant such as EDA can make instead of a loan.

Looking at the Farmers Home Administration statistics from the Second Congressional District of California, there are pending some 14 applications for assistance for water and sewer programs. These projects would involve around \$6.5 million in Federal assistance, loans and grants, with about \$2.7 million of this grant money required to make the project feasible.

In other words, if the grant program is not available none of these projects which would in the final analysis serve approximately 17,000 people, would be constructed. We have been told, of course, that on sewer projects these districts should turn to the EPA for grants. Under the restrictions which have been imposed upon that agency, contrary to the will of Congress, the fiscal limitations are such that the EPA probably will not fund through grants the construction of collection systems. It was the intent of Congress in the Clean Water Act which was passed overwhelmingly, even over the President's veto, that the project as a whole, including the collection systems, would be considered in any funding of the proposal. I ask, Mr. Speaker, what is the point of having a fine new treatment plant if there is no way to get the effluent to it?

The Small Business Administration, which the President says can take over EDA's business loan function, has a limit of \$350,000 on loans to small businessmen who can operate in any part of the Nation. EDA, on the other hand, focuses on large-scale job development only in distressed areas. The average EDA loan has been in excess of \$1 million, and these loans have focused only in areas of the Nation with severe unemployment problems.

In short, SBA simply does not have the legislative mandate or the tools to carry out the job development goals of EDA.

Finally, the administration has proposed that \$10 million in the Housing and Urban Development Act's section 701 planning program can replace the existing \$43 million regional commission program. It seems evident that \$10 million of planning money spread nationwide cannot do the work of the current \$43 million in planning and project funds which are focused entirely on the economically distressed areas of 29 States.

In short, the administration is asking us to accept untried—in fact, nonexistent—programs in place of methods which have proved themselves over a period of years.

To accept the administration's proposals when it is obvious that they cannot fill the great need identified in the existing legislation would be nothing short of disastrous for the people who live in the distressed areas of our Nation. These people need the Public Works and Economic Development Act programs, and the Congress should extend this act for an additional year without delay.

Mr. PATMAN. Mr. Chairman, it is a pleasure to be able to join once again in supporting constructive legislation aimed at strengthening America. I co-sponsored legislation identical to H.R. 2246, the measure being considered today, and commend the chairman and Members of our House Public Works Committee for moving so quickly to bring this essential legislation to the House floor for a vote. Like so many others in this Chamber who have witnessed the remarkable progress made possible by EDA and its predecessor, ARA, I know how much this program

means to our country and particularly to rural areas and to communities with high levels of unemployment. I know this bill will be approved today and only hope that the margin of victory will be so great that those who make up the wrecking crew will get the message loud and clear that the 93d Congress has the same commitment to progress and a better life for our people that has fostered the tremendous growth and prosperity which has come to pass. We must have cooperation at a regional level, as we have been achieving through local Economic Development Districts, and we must continue to strengthen local public facilities such as water distribution and sewerage treatment systems. Finally, we must continue to promote the development of new industries so that every American will have an opportunity to find a decent job.

There is surely nothing new about these goals and it is my sincere hope that this Congress will vote overwhelmingly for this highly successful program so that we can continue to move forward in the months and years ahead.

Mr. BOLAND. Mr. Chairman, I commend the Committee on Public Works for its recommendation that the Public Works and Economic Development Act of 1965 be extended for another year. Current authorization is due to expire on June 30, 1973, and this legislation is deserving of our immediate attention.

In his budget message for fiscal 1974, the President has suggested that the activities now administered by EDA in the Department of Commerce be diffused into several programs. He has proposed a \$2 billion annual urban community development revenue sharing program to become effective in fiscal 1975. However, this proposal has only recently been delivered to the Congress. It has not yet been acted upon, and there is a chance that it may never be acted upon. The committee has concluded that we cannot afford a full year's lapse in these programs, and I concur with the committee.

The Economic Development Act emphasizes long-range planning for economic development in distressed areas. Its purpose is to help local officials to develop the plans and financial stability necessary for the establishment of lasting economic improvement and a steady rate of employment. Current efforts by the Federal Government to assist these areas have been successful because EDA used what was learned from the economic development programs enacted in the early sixties. These early programs fostered the Economic Development Act of 1965 and EDA. The staff of EDA is to be commended for the tremendous job it has done in maintaining and, more importantly, developing the momentum necessary for the success of these programs.

To permit EDA to expire as of June 30, 1973, to create at least a 1 year hiatus, would only serve to drive a wedge into any new economic development programs that the Congress may approve. I urge approval of this legislation.

Mr. STARK. Mr. Chairman, I speak today as one of the cosponsors of the

Amendments to the Public Works and Economic Development Act of 1965. As the Representative of a district which has benefited immeasurably from many excellent projects sponsored by the Economic Development Administration, I have firsthand knowledge of its value to communities struggling with severe unemployment, and threatened by general economic decline. It is the best of the economic development programs I have seen, and I have seen a lot in my years as businessman, bank president, and commercial developer. My interest in the development of the poorer sectors of the country for the benefit of their members has been strong; once I was even awarded a commendation by President Nixon for my work with minority enterprises. I only wish Mr. Nixon's feeling for the needs of the underprivileged had persisted.

Because of its chronically depressed economic condition, Oakland was selected as one of the early targets for EDA assistance. The first major projects were designed to provide Oakland, situated on one of the best harbors in the world, with first-rate transportation facilities, in order that it might better use its natural advantages. In 1966 the board of port commissioners in Oakland received nearly \$12 million for a marine terminal and industrial park, and nearly \$9 million for airport facilities and hangars. This timely and well-planned assistance has helped to transform Oakland from the obscure little stepsister of internationally famed San Francisco into the bustling commercial center it is today. Both the port authority and the airport employ directly about 1,000 people each, and indirectly support many thousands of other jobs. The shipping business brought into the city by the port has stimulated and spawned innumerable independent industries. The easy accessibility provided by that port and the airport is an open invitation to national and international businesses to locate plants, offices, and operations there.

Still other EDA programs have provided the East Bay Area with health services and centers, residential centers, small business development, and some of the most effective employment programs in the country. The nationally known Opportunities Industrialization Centers, which have been so successful in reaching and retraining the hard-core unemployed, have received nearly a quarter of a million dollars in support of Oakland projects from the EDA. Projects specifically designed to assist hard-pressed minorities received critical support from EDA, including the East Bay Spanish Foundation, a Mexican-American economic development program.

The EDA has been the most successful among the many recent attempts to eliminate unemployment and stimulate economic growth. And as the committee report points out, it is the only one of its kind.

This is not a handout program. Its function has been simply to initiate and support well-designed attempts to make communities self-supporting and prosperous, and it has had outstanding suc-

cess in reaching its goals. The experiments started under its auspices have been overwhelmingly successful in providing permanent jobs and initiating dependable economic development.

There is not one shred of evidence to support Nixon's claim that EDA has been inefficient or ineffective. All the evidence in fact proves precisely the opposite. This blatant disregard for the truth is still one more example of the President's offensive and arrogant conviction that, by simply lying with a straight face, he can continue to rob our people of their birthrights, and deceive their leaders into acquiescence.

The Public Works Committee's recommendation of this program is a particularly strong one, and I request permission at this point to insert portions of it into the RECORD. I urge you all to read it. Its message is loud and clear: This is a good program, an effective one, and of vital importance to the Nation.

#### BACKGROUND OF THE ACT

Because this legislation was a new and experimental means of stimulating economic growth, numerous and continuing evaluations have been conducted over the last several years to determine the effectiveness of programs established under the Act in encouraging economic development in lagging areas. These evaluations have been made by the Economic Development Administration, by outside consultants, and by the Subcommittee on Economic Development of the House Committee on Public Works. The results of such evaluations have proven the effectiveness of these programs in stimulating the economic growth of the target areas and promoting permanent jobs for these areas. In addition, there is currently no other Federal program that assists economically distressed areas in overcoming their economic problems in this manner.

With the exception of the opposing views of the Administration, as stated by Secretary Dent, there was overwhelming and universal support for the programs established by this legislation.

Since nothing recommended thus far can satisfactorily replace the programs established by the Public Works and Economic Development Act, the Committee recommends prompt action by the Congress to extend this legislation for one year, to June 30, 1974.

The Committee recommends enactment of this legislation. The Committee believes that the programs under the Public Works and Economic Development Act are of vital importance to economically distressed areas and to the entire Nation and should be continued until other improved legislation is developed to fill this national need.

**Mr. BOWEN.** Mr. Chairman, I rise in support of this authorizing legislation for the Economic Development Administration. This will enable the program to operate at the same level as during the current year.

I am dismayed at the administration's attitude toward EDA and their apparent intention to shut it down.

The charge has been leveled by the Secretary of Commerce that the Agency which he administers is duplicative and wasteful. I believe this is more rhetoric than fact.

EDA's overall goal is a dual one, creation of jobs for the jobless and underemployed, as well as the delivery of much needed services to our society. This is an extremely important fact which is often

overlooked by those trying to kill EDA. The administration, in addition, has argued that the programs of the Economic Development Administration can be handled by other Federal agencies.

It is true that a few of the services of EDA could conceivably be handled by other Federal agencies, but those agencies are not concerned with the stimulation of the economies of depressed areas in America. In most instances no alternatives are available at all, as in the EDA public works area, where some 480,000 jobs have been created by EDA investments throughout the Nation.

No other Federal agency exists, for example, to construct access roads and rail spurs to industrial parks or other job sites, and what real likelihood is there that the Environmental Protection Agency will invest its funds in sewer and water systems for industrial parks? This has not been the practice of EPA in the past. Why should it be in the future?

Even where sewer and water systems have been provided by EDA for residential communities to enhance economic development, their services certainly do not duplicate those of the Environmental Protection Agency. In fact, the EPA must review and approve of EDA sewer and water projects.

As for EDA's business loans which have done so much to stimulate business development, creating more than 38,000 jobs nationally, there is no Government alternative to the kind of loans which EDA has made. The Small Business Administration has a much more limited mandate in terms of the size of its loans. SBA loans currently cannot exceed \$350,000, and the bulk of EDA's loans have been over that amount.

At the same time, 90 percent of the regular business loans of SBA have been guaranteed loans, which are not available at less than the market rate. There are even loans on the books of the Small Business Administration at almost 12 percent. EDA loans, on the other hand, are direct loans based upon the cost to the Government of the money borrowed, currently 5% percent.

The administration proposal to shift planning grants for districts from EDA to HUD and other agencies could have damaging consequences for orderly planning by the development districts at the local level, where area problems and aspirations are best known and realistic goals can best be set.

The Planning and Development Districts of our State have pulled together counties, communities, and people, elected officials, minority groups, business, labor, and agricultural groups to serve on county and district boards to oversee the operations of EDA. They have developed a sense of unity, purpose and vigor. Old suspicions, doubts and differences have been put aside and our people have been encouraged to work together in raising the economic level of all our people.

There are two points in this area which need emphasis, Mr. Chairman. First, the Office of Management and Budget, through its circular A-95, requires review and comment of Federal grant pro-

grams to be conducted by planning and development districts, which are funded with EDA money in most States. Second, other Federal agencies such as HUD, HEW, and Labor, which have been identified as funding sources for these districts, have goals which are too narrowly drawn to be useful for more than the specific needs of the granting agencies.

Only EDA's planning grants provide the kind of versatile funding which these districts so badly need to enable them to do the job OMB has demanded of them; namely, to reduce waste, duplication, and overlapping in the administration of Federal grant programs.

Who will take up the slack when and if EDA is gone?

The real problem lies in the fact that these districts have been established at the insistence of the White House and the Office of Management and Budget. They have built up a significant image within the States and a significant role. Now, the only funding source to provide staffing for these districts is proposed to be eliminated by the administration.

In Mississippi alone, EDA has invested more than \$90 million in economic development over the past 6 years. It has played a crucial role in helping our communities and areas develop their human and economic resources.

Translated into jobs—gainful employment for the poor, underskilled and deprived—this EDA investment in Mississippi's development has meant over 40,000 new jobs.

Following Hurricane Camille, which devastated the Mississippi gulf coast area with its terrible death and destruction, a number of Federal agencies attempted to provide assistance, but none with more success than EDA, which got the gulf coast economy moving again. EDA pumped \$20 million in and is helping create over 15,000 jobs, jobs that provided essentials such as food, clothing, and shelter for hurricane-ravaged coast families.

In the Delta area of my own second district, one planning and development district serves as a regional housing authority, and with EDA help, has provided decent housing for hundreds of struggling families.

In my district, there are many examples of cities and communities who could not obtain financing for job-creating projects—could not; that is, until they turned to their planning and development districts and to EDA.

With EDA's money, industry moved in and provided jobs that previously did not exist. These are not boondoggles. They are valuable and needed public works and business developments.

Throughout the Second Congressional District, the facts are the same. EDA has been a very significant factor in providing economic uplift for thousands of citizens in dozens of communities.

I have been working closely with the programs of EDA for more than 4 years, and in my opinion EDA has been an outstanding success story among Federal programs. It deserves extension for another year, and I urge the House to

give this program an overwhelming vote of confidence.

Mr. DELLUMS. Mr. Chairman, as a sponsor of the bill offered by my distinguished colleague from California and majority whip, Mr. McFALL, I see this legislation as a chance for Congress to regain support and respect of the working people of this Nation.

Unlike many public policies dealing with unemployment, it directly and immediately opens up employment opportunities and is designed to assist communities with matching grants to build direly needed public facilities. The Seventh District of California—as does the district of every Member of this body—needs these facilities and the employment they generate. For example, through this act, a crucially needed child care facility was built in the Seventh District.

As we know, President Nixon thinks very little is good about these programs. Last year—when he vetoed the Public Works and Economic Development Act, a measure I sponsored and for which superb leadership was developed by my friend, Mr. McFALL—President Nixon termed these programs “ineffective.”

Yet, according to study after study, the same programs labeled “ineffective” by this administration, have shown to be very effective in creating jobs and meeting the increasing demand for public facilities.

But, of course, Mr. Chairman, this administration has not been remiss in insuring that certain powerful and rich factions in our society have been protected from current economic dislocations. We must now provide those persons affected by Nixonomics at the most basic levels—persons whose loss of employment has made it difficult, if not impossible to feed and clothe their families—with assurance they will no longer suffer from this administration’s distorted views of economic priorities.

For so long the working person bore the burden of our insane, immoral, and illegal adventurism in Southeast Asia—and, now, once again, it is the working man who bears the brunt of the Nixon budget meat ax. It would be cynical if Congress remains insensitive to the needs of the working person.

Therefore, I urge passage of this important legislation.

Mrs. MINK. Mr. Chairman, I rise in support of H.R. 2246, legislation to extend the Public Works and Economic Development Act of 1965 through June 30, 1974.

Enactment of this legislation is necessary to continue to provide jobs and progress in communities of high unemployment across the country. The success of EDA has been striking, and I feel more than justifies continuation as a separate program.

This program strives to provide people with the opportunity to help themselves. It creates new employment opportunities and permits Americans to work, in the creation of vitally needed public facilities, instead of going on welfare.

I deeply regret that the President vetoed our 1972 amendments, which

passed the House by a vote of 285 to 92. Nevertheless, to meet his objections as to cost of the program, the authorization contained in H.R. 2246 has been significantly reduced. This legislation now seeks only to authorize funding at the level for fiscal years 1972 and 1973.

Specific authorizations include \$800 million for public works grants; \$170 million for public works and business development loans; \$50 million for technical assistance and research; \$50 million for growth centers and economic development districts; and \$152.5 million for regional action planning commission programs.

These programs extended by the bill provide Federal assistance, in cooperation with the States, to enable those areas and regions suffering economic distress to develop the planning and financial capability for economic improvement and the creation of permanent jobs. These programs have been solidly supported by Governors and other officials as well as by unanimous action of the House Committee on Public Works in approving H.R. 2246.

Among the programs extended is the “Mink amendment” which guarantees that there shall be at least one program in each State regardless of whether any area of the State meets the criteria for assistance otherwise required. The area designated is the one most closely approaching such criteria. Therefore, enactment of this legislation will have a beneficial impact on employment in every State.

Another important provision is to extend the moratorium on designation of redevelopment areas. This will prevent unilateral administrative action to terminate programs under the 1965 act.

In view of the continuing high unemployment situation in the United States, particularly in severely impacted areas, I feel that the Federal Government should make every effort to cooperate with the States in putting these citizens back to work. We can help do that through enactment of H.R. 2246, and I urge its adoption.

Mr. DORN. Mr. Chairman, I strongly support the extension of the Public Works and Economic Development Act of 1965. I urge every Member of this body to join me in this vote as a signal to distressed communities all across the Nation that they are not being abandoned by their elected Representatives in the Congress.

This is not a partisan issue, Mr. Chairman. Responsible leaders on both sides of the aisle support this legislation; so do the Governors, mayors, and county officials who have come to Washington in the past few weeks to tell us how essential it is to their home States and communities.

One of the most eloquent witnesses to appear before the Public Works Committee in support of H.R. 2246 was the distinguished Governor of my own State of South Carolina, the Honorable John C. West. Governor West has experienced at first hand, as have I, the solid worth of the EDA program and its impact on the lives of our fellow-Carolinians.

For example, Piedmont TEC, a tech-

nical education center built partly with EDA funds near my hometown, has been training people for jobs. Through these facilities, people who had only unskilled part-time or temporary jobs are learning the skills they need to find good-paying permanent employment. And, these people are not only finding good jobs, but they are finding them right there in Piedmont, S.C.

Because of the locating of this training facility we have found new employers willing and even eager to come to our area because we can now supply them with the skilled labor force they needed.

So, everybody has benefited from this EDA project, and this is not an unusual situation—it is typical. In distressed areas all around the Nation, EDA and the Regional Commissions are doing similar work, creating jobs for people who have never had good jobs before and, in a very real sense, creating hope for many of these people for the very first time.

EDA and the Regional Commissions have brought good jobs, steady income, and more security than they have ever had before to thousands of families in South Carolina. And this is an important point—the jobs have been available to people in the areas where they grew up.

People have not had to move to Chicago or New York or some other far-off big city to find employment. In fact, because of the many new jobs brought to our area by our Economic Development District, people who had left our area in search of better job opportunities have even been able to return to good jobs in their original home towns.

Mr. Chairman, we cannot abandon this program at a time when it is so badly needed to bring jobs, and payrolls, and industry into areas that have not shared in our general prosperity, areas where unemployment is far above the national average.

At a time when we are spending \$2 billion a month, \$24 billion a year, for public assistance and unemployment compensation—\$24 billion of unproductive public spending—it is false economy to shrink from spending one-twentieth of that sum to put men and women to work in productive, permanent jobs.

I ask the House to approve H.R. 2246.

Mr. STEELE. Mr. Chairman, the purpose of the Public Works and Economic Development Act of 1965 was to offer economic assistance in areas of persistent high unemployment. In few areas of the country has this act been more needed and more successful than in Connecticut. The need was certainly there. As I am sure you know, Connecticut’s unemployment has been persistently higher than the rest of the country’s.

Until a few years ago, the economic conditions of my own district, the second, had remained much the same as in the 1950’s when the textile industries left the area. The people of the area had to seek defense-oriented jobs in southeastern Connecticut, where defense employment is more than 10 times the national average and 4½ times the average for Connecticut. This ratio only compounded for the district the uncertainty associated with defense employment.

Other people had to commute long distances to jobs in larger cities. In 1970, some 6,000 persons from the Norwich community drove 80 miles a day to and from work in Hartford. And still others left their communities altogether for supposed opportunities in the city.

This last alternative was not only a loss of manpower and skills for the small urban areas, but also greatly contributed to the central city problems of today. Yet through EDA, and particularly EDA's public works and business loan programs, we have been able to stop this trend by offering people both jobs and faith in their own community. To show how this depressing picture has been turned around through EDA assistance, let me turn to one specific town, Norwich.

EDA's first move was to build, through a \$195,000 public works grant, roads, and utilities for a 117-acre industrial park on the outskirts of Norwich. EDA, along with the Small Business Administration—SBA—followed up on this task by providing business loans to two of the businesses that later located in this park. None of these six companies were defense oriented, therefore, they helped create a diversified economy offering 750 permanent jobs.

EDA itself has often referred to Norwich as a "modern miracle." The U.S. State Department has sent visiting South American businessmen to Norwich to view the industrial park. But the park was most important to the people of Norwich. To help finance the expense of the park, the people of Norwich took out simple 5 percent, 10-year bonds. Now, they are undertaking a 4-block commercial redevelopment in the center of the city which will cost something in the vicinity of \$20 million. Men who have participated in the park development view it as a "classic example of cooperation between Government and private enterprise."

The project was such a success that in May 1971, EDA approved a \$909,000 grant for a 180-acre expansion to the original park. But it is with much regret that I must note that this expansion, with a potential for offering 1,165 jobs by attracting 20 businesses, may not meet with similar success. At this moment, EDA has a business loan application on file from a company wishing to locate in this proposed new section of the park. If EDA does in fact go down the drain, who will help finance this loan? The supposed \$600 million planned to go to SBA for business loans will, in fact, only be for guarantees. And, more important, the higher interest this company will be forced to pay to the private sector could severely hurt the company's growth potential.

An additional badly needed form of assistance EDA has offered eastern Connecticut is planning. In 1967, EDA granted \$25,000 to the Southeastern Connecticut Regional Planning Agency to review how communities have adjusted to sudden and massive cutbacks in employment, something eastern Connecticut has experienced its share of. And more recently, in 1972, EDA granted

\$90,000 to help form the Eastern Connecticut Development Council, which is designed to assist in the economic development of the entire 60-town region.

As was the case with Norwich, most of the towns in eastern Connecticut need an updating of their zoning, a compiling of an industrial inventory, and a development of an economic direction.

In conclusion, I am sure that the case of "modern miracle" Norwich, which is only one of many towns receiving assistance in Connecticut, was not an exception in EDA's history.

Furthermore, as many have pointed out, there is no unnecessary Federal involvement with EDA operations witnessed by the fact that the processing time of grants and loans is considerably shorter with EDA than with other Federal bureaucracies.

Decentralization is not a new phenomenon to EDA. As seen in the case of Norwich, EDA only helped stage the initial recovery; citizen participation and local decisionmaking took over at this point. Most important, if other cities across the country are going to recover as did Norwich, or if Norwich itself is going to fully recover, they will need sustained economic assistance of this type.

We need good planning both economically and environmentally with sustained economic assistance so as to assure our citizen security in their jobs and faith in their country. If we truly want to develop local initiative and create new jobs, we must continue EDA.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that the House, in full recognition of the priority national interest addressed by the measure now before us, will speedily and overwhelmingly approve this legislative proposal, H.R. 2246, the extension of Public Works and Economic Development Act of 1965.

In simple summary, this legislative measure is principally designed to stimulate economic growth in our various communities and States and to promote and encourage the creation of permanent jobs for our American workers. The bill permits continued Federal assistance, in cooperation with the States, for the purpose of enabling the areas and regions across the country which are presently laboring under the heavy burden of economic distress and unacceptably high rates of unemployment, such as those in my own home State of Massachusetts, to continue developing the plans and financial capability necessary for meeting their particular problem and realizing both economic improvement and meaningful and sustaining employment opportunities. Specifically, the measure provides continued authorization of funds for public works grants, for public works and business development loans, and for technical assistance and research assistance programs.

Mr. Chairman, I very earnestly believe that by providing our communities with the necessary funds for continuing the programs under the Public Works and Economic Development Act, we are projecting a fully constructive and forward-looking program of economic ac-

tion. We are also providing our communities and States with a wholly prudent and humane legislative program which offers assistance in replacing public welfare and unemployment compensation with wholesome and vitally important sustaining and productive employment. And I further believe that by reasonably continuing these programs, we demonstrate our legislative commitment to seeing that our communities and States are permitted the opportunity to revitalize their sagging economies and complete construction on the great backlog of effective and substantial public works projects which we all recognize as essential to the wholesome well-being of both the American public and their respective communities throughout this country.

As you know, Mr. Chairman, the 1972 amendments, after passing both the House and the Senate, by substantial margins were vetoed by the President. In an effort to accommodate the objections of the President, the new measure significantly reduces the authorizations of the 1972 measure and extends the basic public works programs only through fiscal year 1974. Since it is authoritatively established that the programs under the bill have proved effective in stimulating economic growth and promoting permanent jobs, and since it would certainly appear that this measure will assist in meeting the essential needs of economically distressed areas across the Nation, I urge the House to resoundingly approve the measure without further delay.

Mr. CONTE. Mr. Chairman, today I rose to vote for H.R. 2246, a bill to extend the life of the Economic Development Act for 1 year.

Unless we were willing to forfeit the futures of hundreds of economically depressed towns and cities throughout the United States, this bill had to be passed.

The Economic Development Act helps those towns and cities that are, as they say in the fight game, "on the ropes." The act is like the round bell in a boxing match. It gives the dazed and beaten fighter a chance to catch his breath, recover his strength, remap his strategy, and go back into the ring with new vigor. Without extension of this act, the fight would have been over and our municipalities would have lost a great comeback opportunity.

I am glad that the House stood up and rang the bell before the knockout punch to EDA was delivered.

I have a lot of fighters in my district that need a boost. I am talking about towns like Greenfield, North Adams, Pittsfield, Great Barrington, Holyoke, and Ware. These are all established New England towns that need an economic break.

For many years, they have watched their textile, shoe, and manufacturing industries take some bad punches from foreign competition. New adversities arise with numbing regularity: Factories closed, jobs lost, people moving away.

I was disappointed to learn that the administration opposed a proposed 1-year extension of the Economic Development Act on the grounds that the line

had to be held on Federal spending and that EDA programs were ineffective, wasteful, and overlapping.

I cannot agree. I have not seen any evidence that EDA programs are duplicating other Federal projects.

The goals for which the Economic Development Act was passed are quite different from the goals of the Rural Development Act, the Federal Water Pollution Control Act or the Small Business Administration's loan guarantee program. These programs were not intended to supersede EDA but to supplement and strengthen it. Tearing apart the EDA program and parcelling out the pieces among similar programs in various agencies is not necessarily an efficient method to follow in consolidating Federal programs.

Nor can I agree that revenue-sharing programs would adequately replace EDA. General revenue-sharing funds were not intended to compensate for the loss of EDA. And special revenue-sharing funds for community development probably will not be implemented before July 1, 1974, if at all.

**Mr. STUDDS.** Mr. Chairman, today, we are considering a simple 1-year extension of the Economic Development Act. Many of the programs included in this act are the main hope left for cities suffering from severe unemployment and a depressed economy. Much of the assistance available under the EDA is not available in other Federal or State programs, and will no longer be available at all if the administration's proposal to abolish this program is accepted.

When our committee held its hearings, the Secretary of Commerce, Mr. Dent, claimed that many of the EDA programs would be continued under the Rural Development Act. But the fact is that act is new and untried, and provides predominantly loans, not grants.

The Secretary of Commerce claimed that the administration proposes to have local governments transfer the urban programs funded by EDA to urban community development special revenue sharing. That bill has most certainly not passed the Congress yet, and the administration is proposing that it not start until July 1, 1974.

In summary, what the administration is asking us to do is to terminate the economic development programs we have, to let our decaying cities and towns and our people without jobs wait for a year or more before any replacement for these programs is effectively operational.

If the administration is serious when it says that it does not want to end economic development programs, but to transfer them to other agencies and other means of financing, then I say what we are doing today is absolutely necessary to accomplish that purpose. If we fail to pass this bill, there will be no ongoing programs left to transfer after the other machinery is functional.

I urge my colleagues to vote in favor of this bill.

**Mr. BLATNIK.** Mr. Chairman, the bill we are considering today, H.R. 2246, would extend the Public Works and Economic Development Act of 1965 for 1 year.

The bill provides a simple 1-year extension of the existing program and makes no changes in the existing legislation.

It is imperative that the Public Works and Economic Development Act be continued for another year. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas experience a 20-percent and even 30-percent unemployment.

The notion has been advanced that we should not extend this act because of a concern for the level of Government spending. This would be false economy indeed.

With unemployment and welfare payments running at about \$24 billion per year, it is obvious, that what this Nation needs is greater job creation effort, not less. And this, creating jobs, is exactly what the Economic Development Administration and regional commission programs do.

In fact, evidence presented before the Public Works Committee during hearings last year indicates that EDA and the regional commissions have created more than half a million jobs since they began work 7 years ago. The agencies have created these jobs in areas of high unemployment—the very toughest areas to work in—and they have done it with a relatively small amount of funds.

There can be no question but that EDA and the regional commissions have done an effective job of bringing economic growth and opportunity to people who have long been denied adequate jobs and income.

Nevertheless, the President has recommended in his budget that EDA and the regional commissions be phased out when existing authorizations expire on June 30 of this year.

The programs the President has recommended to take the place of EDA and the regional commissions are simply not adequate to do the work done by the existing programs. For example, the Rural Development Act programs are not yet operating, and urban community development revenue sharing may never even pass the Congress.

It would be folly to permit existing programs and agencies to be discontinued when it is very clear that these programs are greatly needed and that no satisfactory replacements have been proposed.

There may well be better ways of stimulating job development than those contained in the existing legislation, and the Public Works Committee is currently conducting field investigations in search of better ways to bring economic opportunity to the distressed areas of our Nation.

Our tentative conclusion is that what we really need is a carefully constructed set of policies at the Federal, State, and local levels which can influence the direction and extent of our Nation's growth.

But such legislation cannot be developed overnight and, until it is completed, the valuable work of EDA and the regional commissions must continue. It

is the responsibility of this Congress to see that it does. We can best assure that the much needed economic development effort continues without interruption by passing H.R. 2246 immediately.

**Mr. VANIK.** Mr. Chairman, the administration's efforts to gut the economic development program will exacerbate unemployment in the Cleveland area. In 1970, 748,825 workers were employed in the—SMSA—Cleveland area. Between 1970 and 1971, total employment in the area dropped by over 40,000. Unemployment for the metropolitan city of Cleveland at that time soared to 11.8 percent.

Over the past 10 years Cleveland has lost 45 manufacturing firms and at least 25,000 jobs. The economic development program has already provided funds for job development in the past—but Cleveland is now faced with industries closing plants and taking these needed jobs to other areas of the country.

The exodus of industry from Cleveland has been caused, in part, because Cleveland-based companies could not acquire sufficient, reasonably priced land to expand. This exodus of industry will continue to press Cleveland into an even greater urban crisis in the 1970's.

The passage of the Economic Development Extension Act today could provide an opportunity for Cleveland to receive Federal funds as part of a package for the development of industrial parks in Cleveland.

A land bank system would permit the city of Cleveland to develop industrial parks and seek Federal aid from EDA to provide new sewers, water lines, and other necessary services to prepare land for industrial development. There are several locations that could be considered in Cleveland for an industrial park. Recent newspaper articles examined a number of sites, including:

First. About 100 acres owned by the Penn-Central Transportation Co., east of West 130th Street. The railroad no longer uses this land.

Second. A 64-acre site on West 150th Street. The property is owned by the American Agricultural & Chemical Corp., which is one of those companies which packed up and moved in recent years.

One of the great problems in developing these industrial parks is that land is still more expensive in the city than in the suburbs—but Federal funds from EDA could make the city sites extremely attractive.

Industrial land banks have been developed in Philadelphia, Pittsburgh, and Milwaukee, and are presently being undertaken in New York, Chicago, and St. Louis. These developments have saved thousands of jobs and potentially will create thousands more in the future. It is time that Cleveland proceeded in the development of such a project.

EDA presently has the authority to provide aid and assistance to Cleveland for developing parks—it is my hope that these types of funds will be provided.

Thousands of Americans have been out of work so long that their unemployment compensation benefits and other sources of income are drying up. Opportunities for industry are also evaporating. It is time we acted. Cleveland is part of the

industrial backbone of America—the economy needs Cleveland.

The Economic Development Administration is the program that can provide the needed push to revitalize this industrial heartland of the Midwest—and the passage of this bill is a step in that direction.

Mr. FLOOD. Mr. Chairman, someone much the wiser than any of us here present—and I must admit that is a great deal of wisdom—once said, "Experience is the greatest teacher of mankind." The experience which this Congress and the people of this Nation have had with the Public Works and Economic Development Act has been rich and rewarding; and the benefits will accrue for generations yet unborn. I see no other course for the House to take today other than the extension of this multi-faceted program, and I have thus joined my colleagues in sponsorship of a bill to do just that.

There are two aspects of this matter which deserve examination. On the one hand the administration has proposed the phasing out of EDA and indeed has even threatened to veto this measure before us today. Though the threat of such action by the President is not unexpected.

And secondly, and on the other hand, we have assembled here the representatives of the people urging the continuation of a program which has proven itself time and time again; and which will continue to prove itself beneficial to all Americans in the future; because this Congress is going to pass this bill and send it downtown; and if that veto is exercised, it will be overridden.

Mr. Speaker, the first aspect of this matter which I mentioned above, the administration's execution of the Economic Development Administration, begs the question, "If no EDA, what then?" All the Congress has been told is that the Economic Development Act is no longer needed; that money for water and sewer projects, for technical assistance, for harbor and airport projects, for construction of public buildings and recreational facilities, and so on, will be found somewhere. In fact we—the Congress which is the elected representative of the people—have been told virtually nothing as to where these desperately needed and enormously successful projects will receive money.

Perhaps all of the vague talk of special revenue sharing funds for rural development will take care of some of these programs, but who can say? Is it in any way proper procedure to cut off an ongoing and successful program; a program highly popular with this Congress; and offer as a substitute nothing. I think not.

This reads like a bad dream—the people in the cities want this program; the people in small communities want this program; the people in rural areas want this program; the mayors want this program; the Governors want this program; the Congress wants this program—but the administration says let us phase it out. When he signed the Reorganization Act of 1969, the President announced his desire to increase the degree of coordination in the "system through which the

Government provides important social and economic services." when that statement was made, no one thought that the delivery of social and economic services would be encumbered by the destruction of the Public Works and Economic Development Act.

The other side of the coin is a much prettier picture; that is, the continuing and ongoing success of the Economic Development Act. EDA began its operations in 1965 which was a period of rapid economic expansion and growth; however, the growth was neither equitably distributed geographically or among the people. Disadvantaged areas and groups tend to be the first to suffer in periods of restricted economic activity and the last to benefit during periods of expansion.

Even a dramatic acceleration in the pace of the national economy will have only a minor impact on some areas unless there is a coordinated effort to stimulate local energies and to direct public and private resources into lagging areas. For these reasons, the Public Works and Economic Development Act was drafted in 1965, and for these reasons I was a sponsor of that bill and steadfastly pressed for its enactment.

Mr. Speaker, is this bill—as some would have it—an enormous amount of money down the drain? Three hundred and twenty-five million. Three hundred and twenty-five million dollars in fiscal year 1973. When even the most cursory examination is made of where this money went, the amount is far from enormous. A water supply distribution system in Nevada County, Calif.; a waste water treatment plant in Berryville, Ark.; wharf construction in Seward, Alaska; a sewage treatment plant in Waverly, Ohio; a vocational-technical school in Dallas County, Mo.; and these are only the development facilities examples. The list goes on and on, and not one project listed is in any way frivolous or unwarranted. In addition there are planning grants, technical assistance grants, loan programs; and all of them are directed to community-wide or regional improvement.

This bill is one of those rare matters where the choice before the Congress is clear. Either we maintain and sustain a highly successful, highly popular, and much needed social and economic program which has proven itself time and again; or we can ratify the administration's wish to see the end of this program and the elimination of its noble functions. I, for one, will have no trouble making that choice.

Ms. ABZUG. Mr. Chairman, I rise to express my strong support of H.R. 2246, which would extend for 1 year the Public Works and Economic Development Act of 1965. As a member of the Public Works Committee and its Subcommittee on Economic Development, I have had the opportunity over the last 2½ years to learn a great deal about the economic development program and to see how successful it has been. In addition, I have had economic development program activity in my congressional district, and have there too seen its great possibilities.

The purpose of this act, as stated in the committee report on this bill is—

To provide federal assistance, in cooperation with the States, to the economically distressed areas and regions of our nation suffering from a high rate of unemployment and underemployment, to enable these areas and regions to help themselves in developing long lasting economic improvement. The act emphasizes long range planning for economic growth and provides technical assistance, public facility grants and loans, business loans and guarantees and other assistance as tools to implement these plans.

The 7 years of operation of EDA have been remarkably successful ones. Even Commerce Secretary Dent, speaking for the Nixon administration, admitted before our subcommittee that EDA "has done some good," and studies undertaken by less biased individuals have indicated that it has been immensely successful and could do far better if it received its full authorized funding.

A major component of the administration's attack on categorical grant programs has been the alleged lack of coordination among them. EDA is an excellent example of a program which coordinates numerous projects being conducted within a given target area, including public works and facilities construction, loans and loan guarantees to small businesses, and the creation of employment.

The administration claims that it is transferring the rural aspects of EDA to other departments, particularly the Department of Agriculture, though grave doubts as to the veracity of this claim were raised by some of my Republican colleagues during Secretary Dent's appearance. As to the urban aspects of the EDA program, aspects which both Republican and Democratic members of the Public Works Committee have in the past agreed should be greatly expanded, not even the pretense of continuation is put forward. Mr. Dent spoke of some vague form of "urban community development revenue sharing," despite the fact that urban officials and many Members of Congress seem quite disinclined to enact any more revenue sharing after seeing how they were tricked by Mr. Nixon on general revenue sharing.

What we should be doing—and what Mr. Nixon should be doing if he really cares about our cities—is expanding the Economic Development Administration's work, especially in urban areas. My bill, H.R. 237, would increase funding for title I of EDA to \$1 billion per year up to and including fiscal 1977. Only with such guaranteed funding on a fairly long-range basis can EDA make the kind of long-range planning and long-range commitment that means coordinated and well-targeted programs.

Only with enough money to do the job in enough places will EDA reach the full potential of its powers.

EDA will not have to balloon into any superagency with vast new responsibilities. Instead, my bill provides only some tools for the existing EDA framework to exercise; new muscles, if you will, for this agency to flex in the cities.

Let me now tell you what my bill does:

To allow more flexible targeting, H.R. 237 would permit a new designation: one of urban areas impacted by rural migrants and therefore suffering from sub-

stantial unemployment—described under section 111 of the bill. Rural residents who leave home for lack of a job or prospects weaken their small towns by leaving. At the same time they create problems in the cities because their lack of skills often makes it hard for them to find a job in urban areas. The new designation would simply make the central city areas where these people concentrate eligible for EDA attention.

We have heard in our hearings from many able spokesmen for urban areas that a major problem for people in these impacted areas is transportation—transportation to and from possible places of employment. My bill would set aside \$150 million for grants to such areas for transportation development and other purposes. It is my position that such an investment would be more than repaid by the increased productivity of the people involved.

Further, my bill would increase the options available to EDA in another direction. At present, when the Secretary determines an applicant for aid is unable to raise the money for its share of a project fund—usually a 20-percent share—then EDA can do one of two things. It can either reduce the amount the applicant must pay or eliminate the non-Federal share altogether. In practice these things rarely happen and some worthwhile projects are stalled for very long periods while the applicants work to come up with ready cash to pay their 20 percent of the cost.

My bill would provide a third alternative.

It would allow EDA in effect to loan the applicant this 20 percent of the funding costs, the non-Federal share, at no interest, providing EDA gets in return a binding commitment that the share will be paid at a future date. This way the much-needed project can receive its initial funding and get started while the applicant is raising his share of the bill. I might point out that this provision will make it easier for rural and urban areas alike to get their projects off the ground.

Other changes I am proposing are the more technical ones. They include provision of increased interest subsidies, mortgage insurance for commercial and industrial use; and, for the first time, lease guarantees so that businesses could rent space backed by the Federal Government rather than having to buy it.

That latter provision would involve shopping center uses too—lease guarantees for multitenant facilities are included.

In determining aid needed, EDA for the first time would be able to aggregate the business loan need of all tenants of a building rather than have to deal with each one separately as is now the case. And my bill would extend the term of loan guarantees from 25 to 30 years, because that would make the effective term 40 years—with the normal 10-year extension—and 40 years is the standard property depreciation term used in most other business calculations.

These are changes in the EDA Act of the kind that make progress but rarely make news. They would provide some

of the weapons EDA could use for an attack on city problems, an attack as necessary as the one EDA has already mounted in the area of rural development.

And the increased funding I have included in my bill will make it possible for EDA to address itself to development problems in rural areas as it has been doing, with increased funding there—and for the first time also to the development of city areas.

To pass the bill now before us—and to repass it over a veto, if need be—is the least we should do with respect to EDA. This is the kind of program which should be expanded, not killed, and the administration has yet to present one single worthwhile argument to support its opposition of this bill.

Mr. ROYBAL. Mr. Chairman, I rise in support of H.R. 2246 which authorizes \$1.2 billion for a 1-year extension of the Economic Development Act.

EDA has proved itself to be a successful weapon in aiding economically depressed areas provide public works and other improvements to attract industry. The record of achievement of this program since its inception is impressive indeed. Since 1965, EDA has produced almost 500,000 permanent jobs in our country's worst unemployment and underemployment areas. Many of these areas have experienced 20- to 30-percent unemployment and only a commitment by the Federal Government can break the unemployment spiral.

At the same time that EDA has produced jobs, it has led to the establishment of businesses and capital assets that are sorely lacking in these communities. EDA emphasizes long-range planning for economic growth and provides technical assistance, public facilities grants and loans, business loans and guarantees, and other assistance as tools to implement these plans. These types of capital assets are necessary if the community is going to develop a commercial and industrial base necessary for continued prosperity and ultimate self-sufficiency.

Last year Congress passed H.R. 16071 which would have extended the life of EDA through fiscal year 1974. However, President Nixon vetoed the bill after Congress adjourned and thereby jeopardized the life of the entire program. This year the President's budget indicated that the program would not be funded again. The administration contends that the program is duplicative of a number of other programs and that special revenue sharing could be used by local governments to continue selective programs.

The administration contends that the Rural Development Act, the Small Business Act, and the Housing and Urban Development Act accomplish the same purposes as EDA. The committee has looked into this contention and found it lacked merit. EDA covers many programs that have never been and could never be funded under any other act.

Second, special revenue sharing is not the answer to programs presently funded by EDA. Special revenue sharing has not been passed by the Congress and even if

it is it will not become effective until July 1974. EDA will expire June 30, 1973, unless we act today. This would mean programs would have to be dismantled and then restarted a year later. This is fiscal waste at its worst.

For the past 3 years unemployment has been over 5 percent. It costs this country more in terms of dollars and human dignity to put a man on the relief rolls than it does to give him a job. EDA has proved itself an effective device at curbing unemployment in the hardest hit parts of our country. I believe we need programs like EDA and hope all of my colleagues will support it.

Mr. DICKINSON. Mr. Chairman, I rise in support of H.R. 2246 to extend the life of the Economic Development Administration.

As many Members of the House of Representatives know, I am not an advocate of increased social legislation and creation of jobs paid for by the American taxpayer that end when the Federal money is cut off. The Public Works and Economic Development Act of 1965, as the successor to the Public Works Acceleration Act, changed the direction of the APW program and established a program based on what I consider to be sound principles—creation of jobs in the private sector.

A considerable number of counties in my congressional district have at one time or another been designated as eligible to participate in EDA programs. As a result, a number of jobs in the private sector—not Government handouts—have been created. The key to what I consider to be the success of EDA is the word "creation." Jobs in private industry have been created in joint efforts by Government and industry in areas where private capital is not available in sufficient amounts to totally underwrite the cost of establishing such ventures.

Recipients of such jobs are not paid by Federal money; they are an integral part of our free enterprise system paid by the profits of industry and returning a portion of their wages to their respective governments in the form of taxes.

Mr. Chairman, I have had considerable dealings with EDA personnel in recent years, and I have always found them to be very knowledgeable, efficient, and helpful. They are professionals who, as a rule, know their mission and accomplish that mission with a high degree of effectiveness.

In the Second Congressional District of Alabama, some 1,740 jobs have been created as a direct result of programs of the Economic Development Administration. EDA has funded 39 projects in my district amounting to a total of \$11.3 million. \$10.6 million went into the establishment or expansion of public facilities to accommodate industrial growth and for interest-bearing industrial loans for construction of new or expanded industrial plants. These projects were approved on the basis of their importance in creating immediate new jobs in private enterprise and in providing long term opportunities for employment in the area. Most of the project funds going into the public works projects were

in the form of grants made to local governments for such necessities as water and sewer facilities, access roads and streets, etc., to help meet the requirements for the location of new industrial plants and the expansion of existing industry.

The following is a list of the communities in my district where EDA projects are located with an estimate of the new jobs which were expected to be created by them. Such job estimates were made by local government and industrial leaders and have generally been found to be conservative:

Community:	Jobs
Eufaula	366
Evergreen	180
Union Springs	63
Montgomery	357
Greenville	132
Brundidge	84
Hartford	91
Geneva	433
Midway	34
Total	1,740

EDA programs have helped to provide many jobs in private enterprise to the citizens of my district, the State of Alabama and the country as a whole. Therefore, I urge the subcommittee to act favorably on H.R. 4819 or a similar bill and renew EDA.

Mr. PICKLE. Mr. Chairman, I am glad to be a cosponsor of the economic development extension bill.

In my mind, the work of the Economic Development Administration has meant jobs. What better goal for the Federal Government is there beyond helping private enterprise bring jobs to economically depressed areas?

I say there is none, for with meaningful work, an individual is not a drag on the economy, but a productive contributor.

To hold the position that welfare spending must be reduced and to eliminate simultaneously an agency designed to help people help themselves is illogical in my mind. In a nutshell, however, this is what the administration is doing when it proposes the abolition of EDA.

My stand is with Mr. JONES of Alabama and the many members of the Public Works Committee who support a 1-year extension of EDA.

No program is perfect. EDA is not perfect. Every project funded has not been a winner.

But to strike for 100-percent success with every loan and every grant was not the purpose of EDA. EDA was not established to be a bank which refuses to take the chance with a loan in an Indian area, the small rural county, or the heart of the ghetto. EDA was established to do what private investment could not afford to do—to put money into the undeveloped areas, the financially shaky areas.

Rhetoric is cheap, but EDA can be supported by more than rhetoric. I think that I have some facts and examples to prove this point.

The major city in my district, the Tenth District of Texas, is Austin, Tex. The Southwest Regional Office of EDA has its headquarters in Austin.

This office serves the five States of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

Since EDA was started in 1966, there have been 935 projects funded in the five-State region. Of these 935 projects, 168 have been planning grants, those vital tools which allow people to develop a battle plan for economic development.

The other 767 projects have been public works grants, business development loans, and technical assistance programs.

Many public works grants have been to develop industrial parks for industry to locate in the undeveloped communities.

The remote and economically depressed community often cannot support a new manufacturing plant because the community cannot afford to lay the water and sewer lines necessary for modern industry.

There is a root problem. An EDA planning grant has laid down a battle plan, but the proper tools to implement that plan are needed. The proper water and sewer facilities are those tools. Without them, no one can run the modern business of today.

Also, the public works grant is used to help the community provide the necessary training facilities. These facilities equip the local population with the labor tools needed for sustaining jobs.

There have been 503 public works grants in the five-State Southwest EDA region.

With the planning grant and public works grant the foundation is laid for job creation and economic development.

The next step is locating a suitable business in the community. This is perhaps the most delicate of all the EDA tasks.

The business loan guarantee cannot be a giveaway. By definition, though, the biggies, such as GM, United States Steel, Standard Oil of New Jersey, are not seeking these EDA loans, and quite rightly would not qualify for one if they did. Instead, EDA often assists the businesses that can create 50, 100, or 200 jobs. EDA wants a new business to succeed for sure, but the business must also be willing to take a chance in a location where the labor force may be unsure, transportation poor, and local capital nonexistent.

The EDA business loan guarantee helps the private business to take these risks. In the five-State EDA Southwest area, 50 business development loans have been made. The amount of these loans is over \$33 million.

In the last quadrant of EDA work is the technical assistance program.

Technical assistance, or TA, smooths out these knotty problems that the undeveloped area faces as it struggles up the road to economic stability.

In the five-State EDA Southwest region, 214 technical assistance grants have been made.

All in all, the 935 EDA projects in the Southwest represent an investment of nearly \$250 million in redeveloping areas which are some of the poorest in America.

The number of projects and the amount of money are impressive. They are not, however, the complete story.

Taking a sample number of these 935 projects, 81,400 jobs were created. Projecting these samples to all EDA projects, over 112,000 jobs could be created by EDA investments in the Southwest.

Some of these projected jobs will be down the road. In an undeveloped area, the leadtime from planning to economic stability is several years.

An example of an EDA success story can be found in Marlin, Tex.

There a \$500,000 EDA public works grant enabled a carpet mill to move into the area. Today the mill hires 180 people, and paid an income tax of \$400,000 last year. In this town of 6,000, 180 jobs means a great deal, and it is easy to see that the Federal Government will receive back its \$500,000 investment many times over.

I could name many more examples, Mr. Chairman, but will not take the time of this body any longer.

At this time, I urge passage of H.R. 2246.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "and June 30, 1973," and inserting in lieu thereof the following: "June 30, 1973, and June 30, 1974," and the last sentence of such section 105 is amended by striking out "and June 30, 1973," and inserting in lieu thereof the following: "June 30, 1973, and June 30, 1974".*

Sec. 2. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "1973" and inserting in lieu thereof "1974".

Sec. 3. Section 302 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "and June 30, 1973," and inserting in lieu thereof: "June 30, 1973, and June 30, 1974".

Sec. 4. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "1973" and inserting in lieu thereof "1974".

Sec. 5. The first sentence of subsection (d) of section 509 of the Public Works and Economic Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and for the fiscal year ending June 30, 1974, to be available until expended, \$152,500,000."

Sec. 6. (a) Section 2 of the Act of July 6, 1970, as amended (Public Law 91-304), is amended by striking out "1972" and inserting in lieu thereof "1974".

(b) The amendment made by subsection (a) of this section shall take effect May 31, 1972, and any area designated as a redevelopment area for the purposes of the Public Works and Economic Development Act of 1965, as amended, on or before that date and which has had such designation terminated or modified in accordance with section 402 of such Act of 1965 on or before the date of enactment of this Act shall, for the purposes of such Act of 1965, be held and considered as a designated redevelopment area during such period and shall continue to be designated as a redevelopment area until otherwise terminated or modified in accordance with the provisions of section 402 of such

Act of 1965 and section 2 of the Act of July 6, 1970, as amended by this Act (Public Law 91-304).

Mr. JONES of Alabama (during the reading). Mr. Chairman, I ask unanimous consent that the bill 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 Alabama?

There was no objection.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the last several weeks we have had a number of bills brought from several committees in instances where there could have been an honest difference of opinion as to whether the authorization legislation should be expanded in dollars, whether there should be a duplication or an expansion of categorical grant programs. I, as well as others, have taken the position that in all of those cases the legislation should be defeated for good reasons in our judgment.

Mr. Chairman, this proposal before us today is on weaker ground than any of those what have come before us in the recent past.

Let me tell you why.

This EDA extension legislation, if funded, more or less predicated on the funding for the current fiscal year, would call for the obligation or appropriation of roughly \$1,200,000,000 in different categories. Now, if the Administration were totally oblivious to the need for some programs covered by EDA in fiscal year 1974, I think the Members could argue that maybe we ought to extend EDA.

But, Mr. Chairman, the truth is that in place of EDA, the administration in other basic programs has recommended funding for fiscal year 1974 of roughly \$1,400,000,000, either in loans or grants. I concede there is an emphasis on loans either direct or guaranteed.

So, Mr. Chairman, I just cannot understand the need or necessity for an additional authorization of \$1,200,000,000 in EDA, in addition to \$1,400,000,000 in various budgeted programs for the next fiscal year.

Now, somebody might challenge whether the budget for the next fiscal year does include \$1.4 billion. I have brought the fiscal year 1974 with me so that you can see the evidence for yourself. Here is the document for fiscal year 1974. Let me refer you to the page and to the specific item.

On page 112 of the budget for the next fiscal year there is for the rural development grants and technical assistance a \$20 million increase. That is under rural development program enacted in August 1972. Under rural development research, again under RDA, which we passed last year, in this instance there is a \$2 million increase. Under the rural development education program on page 129 of the budget there is another \$2 million increase. For rural development water and community facility loans on page 182 we find an increase of \$45 million in addition to the \$300 million which the

administration utilized for the fiscal year we are now in. For rural development industrial development loans there is an extra \$200 million. For rural development community facilities there is an extra \$100 million. The total increases under the Rural Development Act in substitution of the existing EDA legislation are a total of \$369 million.

Why do you have to have the existing EDA plus \$369 million under the Rural Development Act? It just does not make sense.

Now, if you go to another item, the administration has asked for an additional \$630 million under Small Business Administration loans to help as a substitute for the existing legislation currently before us.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. GERALD R. FORD. Let me reiterate. the administration primarily in the loan area, loan guarantees or direct loans, is making more money available in different programs than was available under EDA in the current fiscal year. Why do you want to add another \$1.2 billion in round figures to the existing proposed \$1.4 billion in the budget that the President submitted?

Let us talk about what happened last year. On August 16, 1972, we had the EDA legislation before us in this body. By a vote of 285 to 92 the legislation was passed. It went to conference and a conference report came back. By a vote of 155 to 64 on October 14 the legislation was approved. On August 16, 92 Members voted against it; on October 14, when we had many absentees, 64 Members voted against it. I do not think there was one political casualty among those who voted against it in 1972, if you want to look at the pure, cold, hard politics of the proposition.

So I suggest to anyone who has any apprehension or concern about politics or about the next election that a "no" vote on this legislation will not make one iota of difference. You can always argue, and argue effectively, that there is \$1.4 billion in the budget for 1974 in place of a program that was in this fiscal year funded at the rate of about \$1.2 billion. The basic difference is that in 1974 it will be guaranteed loans, or direct loans, with a lesser interest rate instead of direct grants out of the taxpayer's pockets.

Mr. GROVER. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from New York.

Mr. GROVER. Mr. Chairman, I thank the gentleman for yielding. I would ask the gentleman if I am correct in the fact that any ongoing programs or fully planned programs will not be in any way interfered with under the administration's proposal?

Mr. GERALD R. FORD. That is my understanding. Any program that has been properly funded which is an ongoing program will continue to be funded by the administration. But in order

to do away with duplication, to get the new programs under the loan guarantee program, rather than grants, they are moving the money into EPA in greater amounts, into the rural development program in a greater amount, and into the SBA in greater amounts. From my viewpoint that makes sense, and I recommend the defeat of this legislation, and a "no" vote on this bill.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the first thing we need to recognize is that the EDA program which this House approved last year in an almost identical bill, by some 285 to 92, or about 3 to 1, is the only ongoing program in the United States addressing itself to the severely depressed communities. It is the only one we have.

The regional commissions covered under this authorization are the only existing activities directed precisely toward relieving the economic distress in those seven hard-hit, high-unemployment regions of the country.

These are the only ongoing programs addressed to that precise problem.

The question we face today is: Do we want those programs to die?

It has been suggested by the distinguished minority leader that at some future time there might be some other type of program to take their place. Very well, let us entertain that possibility—but no such alternate program exists today. Congress may or may not authorize and fund such other programs. Until we make the determination of whether we are going to supplant this program with something equally as good or better, it seems to me it would be folly to destroy this program.

Let me make clear what this does—

Mr. GERALD R. FORD. Mr. Chairman, would the gentleman yield?

Mr. WRIGHT. Of course, I yield to my friend, the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, the gentleman I think is creating a wrong impression. The Small Business Administration does exist, has existed for a long time, and they are getting over \$600 million more for the substitution of EDA in these areas which have been affected.

A year ago we passed the Rural Development Act. I can remember the distinguished chairman of the Committee on Agriculture pointing out the benefits that would flow from that legislation. The administration said it is good. They have recommended \$369 million to be used under the Rural Development Act. Why continue a program where you have other programs substituted?

Mr. WRIGHT. I was happy to yield to the distinguished minority leader, for whom I have great respect, and I do hope that, as I attempt to answer the questions he has raised, the gentleman may assist me in getting some extra time if I need it.

I would simply say this with respect to the Small Business Administration: That is an entirely different program. It was instituted to replace the old Reconstruction Finance Corporation in 1953.

Unlike the EDA, the SBA has a pre-

cise dollar limitation on each loan. Some of its loans are earmarked for minority enterprises. Some of them go to businesses in thriving communities. It makes neither loans nor grants to municipalities for infrastructural water, sewer and utility services which are necessary to attract new business endeavors to dying communities. It is a different program entirely. It serves a different purpose.

The Small Business Administration addresses itself not to the question of distressed communities but to the question of distressed individual businesses wherever they may exist; and it is needed.

I would join with the gentleman in supplying more money for the Small Business Administration, but it does not come to grips with the singular question of the shriveling on the vine and dying of old communities throughout the United States. I dare say the gentleman has them in his State; I have them in my State.

Look with me, if the Members will, to the future which will surely face us if something is not done to revivify, to revive, to revitalize these small communities that have been the backbone of America. If the present trend in population is allowed to continue until 1990 unchecked, by that year it is anticipated that we will find 80 percent—80 percent—of the American people living in just four sprawling megalopolitan areas: one along the Great Lakes, one along the gulf coast, and one each on the eastern and western seabards. The rest of the Nation, comprising some 3,000 communities and some 94 to 95 percent of the land area, will provide homes and business opportunities for less than 20 percent of the American people.

That prospect just does not make sense logically, sociologically, environmentally, economically, criminologically, or in any other way we want to look at it. This trend of people moving away from the small towns because there no longer is a local mode by which they can employ themselves—crowding in ever greater numbers into ever more congested cities—has increased every social problem from crime to human incivility to psychosomatic illness to pollution. Every known problem that is plaguing us today is to some degree—

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent the gentleman from Texas (Mr. WRIGHT) was allowed to proceed for 5 additional minutes.)

Mr. WRIGHT. Every known social problem that has our big cities by their throats today is to a large degree the product of population density, and this is fed by the dying on the vine of the small communities.

I have visited some of these communities that have experienced revitalization and a new birth of opportunity as a result of this EDA program all throughout the United States. I have seen new hope born in those communities. I have seen a community in North Carolina where one fellow told me that 53 people graduated from his high school class, and all of them left the county in search of work, and now with two new local

plants stimulated by the EDA, some of them are coming back.

I have seen the flowering of opportunities in little towns like Livingston, Ala., which had lost population for the last three decades, and now because the EDA has moved in and provided the basic framework for private business to come in and give people jobs and hold local people at home, it has at last begun to regain population. I think this is important nationally. This is not just important to those particular communities.

I happen to represent a community that does not qualify for EDA, and thank God it does not. I am glad that my people are not so economically distressed that our area would legally qualify. However, that does not relieve me of the responsibility to see to it that these other communities throughout our country do have some program that will permit them to offer private jobs in the private sector—organisms of employment that will permit them to thrive and regain their lost growth. If we allow this program to die, and with it the hopes of these communities—and if as result we accelerate the crowding of our people into fewer and larger and more congested cities, I do not know what it is going to be, but it is not going to be America as we have learned to think of it.

The President has suggested, in addition to the thought that some other program which we might at some later time fashion could take over, that this authorization might be inflationary. Well, let us look at that.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. On the specific point of whether or not there are in being other programs that would be capable of filling the need in this area, the information that I have is that—and these are EDA figures—for fiscal years 1970 to 1972, 46 percent of title I project money was allocated for water and sewer projects.

Would the gentleman have us believe that there are not a number of other Federal programs?

Mr. WRIGHT. I respect the gentleman from Illinois, and he is a great man. He should recognize that these particular water projects under EDA are related directly to the capacity of each recipient community to make use of such a project to attract industry or some commercial enterprise that would provide employment in that hard-hit community. That is the test we have got to meet.

We do not just have a makework project here. The purpose of this program is not just to make the immediate jobs in public employment. The purpose of this program is to provide infrastructure which will create an attraction to private job-producing investments. We have got to prove that it will in order to qualify a project. The purpose is that private business will come into these hard-hit communities and provide opportunities in the private sector. That is the object. It has done that in several

thousand communities throughout the United States. We need to continue it.

Mr. CLEVELAND. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. For the purposes of clarification there has been some talk about other programs that take care of some of the problems in the EDA area. I do not think the gentleman has made it quite clear in his remarks that one of the purposes of these economic development grants is to give the poor community a little bit more of the matching funds, or supplemental grants as they are referred to, so that they can qualify for these other grant programs that people are talking about. As an example, suppose the matching formula was 60-percent Federal money and communities had to provide 40 percent to match that. We have found in our experience that some communities were so disadvantaged and their prospects were so poor they could not raise their share of matching funds in such a situation or with some of these other programs which have been mentioned.

Mr. WRIGHT. The gentleman is exactly correct. This is supplemental to other programs. It does not duplicate them. And no other existing program could take its place. What we ask is a 1-year simple extension of this act so we can see if there is some other program the administration wants to offer. I do not see how anybody can object to that.

Mr. CLEVELAND. If the gentleman will yield further. The type community I described is one which cannot even get up the matching money for one of these ongoing Federal programs and certainly that community would not be able to borrow the full sum they might need.

Mr. WRIGHT. And without this program the other programs would be useless to them.

Mr. CLEVELAND. Correct. The essence of this program we are talking about is to give the seriously disadvantaged communities a direct grant so that they can participate in some of these ongoing Federal programs to refurbish their communities and make it possible for them to support an industry and otherwise develop their economics.

Mr. WRIGHT. I think the gentleman is exactly correct.

I would ask the Members on my left to read in the committee report the comments of the minority members on our committee—Mr. HARSHA, Mr. CLEVELAND, and Mr. HAMMERSCHMIDT—wherein they very carefully and fairly printed the objections of the administration and then proceeded to point out that they did not agree with those objections and that certain of those objections were totally invalid in this instance.

Some of the President's comments undoubtedly contain some validity. The President expressed concern that the accelerated public works program as presently carried out is encumbered by too long a leadtime between inception and execution of a project. This is in my judgment a valid criticism. But we certainly do not put people to work more

quickly, nor expedite the completion of these projects, by simply killing the program.

The President apparently regards spending for EDA and regional commission programs as inflationary. By reverse logic, you would have to say that the way to fight inflation is to maintain a large body of unemployed. In fact, these programs operate in areas of the Nation which have economies which are very far from overheating, and which have large resources of unused labor. Putting a man on a productive job, instead of on welfare or unemployment, is in reality just about the opposite of inflationary spending. Price inflation is directly and inversely related to productivity.

On the CBS morning news yesterday, Secretary Weinberger of HEW said that the solution to our Nation's economic and welfare problems is to find meaningful long-term employment for the unemployed welfare recipients. That is exactly the role of EDA and the regional commissions—to create permanent employment in areas of severe economic distress, where unemployment and welfare benefits are substantially higher than in other parts of the Nation.

So I urge you to join me in voting to extend this program.

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

(On request of Mr. GROSS, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

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

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

Mr. GROSS. On page 6 of the report is a map that is light with respect to some States and darkened with respect to others. There is no indication in the report as to what that means. What does it mean?

Mr. WRIGHT. That map shows the existing regional commissions. For example, Iowa is just east of the line of the Old West Commission and unfortunately Iowa is just north of the line of the Ozarks Commission. So those particular commissions do not cover Iowa, I am sorry to say to the gentleman. They do not apply to those particular States that are not darkened. But I would say to the gentleman that the EDA program applies anywhere in the United States to any community that is losing population and has underemployment. So there are many communities in the gentleman's State, as there are in my State, which are not covered by one of the regional commissions here but which communities in the gentleman's State and in my State do qualify for and do receive meaningful help in trying to hold their own and provide jobs for their people.

Mr. GROSS. Then light means a State is out and dark means it is in?

Mr. WRIGHT. Insofar as the regional commissions are concerned, the gentleman is correct. But insofar as the EDA program is concerned, all States are in.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to expand

a little bit on something the gentleman from New Hampshire (Mr. CLEVELAND) said because I think my kind of district is the kind of district he is talking about, that really will not benefit very much just from loans. My district has an unemployment rate of about 50 percent or more above the national average.

About 40 percent of the families in my district have incomes of less than \$6,000 per year. That compares with about 21 percent as a statewide average.

The population in my district is less now than it was in 1910 on a county basis. Over 15 percent of the population in my district is over 65. Over 20 percent of the people derive their income from social security. In portions of my district, we have one doctor for every 2,000 plus people. That ratio is as bad as Brazil or Nicaragua.

I just do not believe that this kind of district is going to be able to get along with just loans. That is why we need this program, even though, as the distinguished minority leader, the gentleman from Michigan, said, even though it does come out of the pockets of the tax-payers, so that the areas of this country that have been left behind economically will have a little better chance than they have today to play catch-up.

I think that is what this bill does today. I would like to commend the committee, the gentleman from Texas (Mr. WRIGHT) and especially my neighbor across the bridge, the chairman of the full committee (Mr. BLATNIK) for their foresight in bringing this bill to the floor.

Mr. Chairman, I would like to register my full support for the bill before us today, H.R. 2246, and for the programs of the Economic Development Administration—EDA—and the regional action planning commissions, which this bill would extend through June 1974. The programs it authorizes are vital in helping people in economically depressed areas of the country, like northwestern Wisconsin, help themselves to a more equitable share of this Nation's abundance.

Mr. Chairman, my neighbor from Minnesota (Mr. BLATNIK) is to be commended for the leadership he is providing Congress in the fight to save EDA and the regional commissions from the President's misguided ax.

I urge all Members to stand firm behind the committee's proposal and clearly show the Executive that its callous disregard for people living in chronically depressed areas of our Nation will not be shared by Congress.

Last December, when I first learned that the administration planned to dismantle EDA, I immediately wrote to President Nixon urging him to reconsider his decision. I pointed out that EDA programs have provided permanent private sector employment in many of the poorest areas of our country and that without their continuation it is unlikely that the cycle of chronic depression will be broken.

As we all know, these and similar pleas from around the country fell on deaf ears at the White House.

Whether the White House and OMB care to face it or not, economic stagnation or decline exists in many regions of

the country today. The development potential that exists in these areas has never been tapped by adequately funded development assistance programs. The northwestern part of Wisconsin is such an area. I would like to cite again a few facts which will indicate the nature of our economic problems in that area and the need for expansion, rather than termination, of the economic development programs of EDA and the regional commissions.

As I indicated before, in northwestern Wisconsin:

The unemployment rate has been about 50 percent above the U.S. average since 1966;

Forty percent of the families have total income of under \$6,000 compared to 21 percent at this income level in the State as a whole;

Population declined annually by 0.2 percent during the 1960's and is now less than the 1910 population;

Over 14 percent of the population is 65 years or older;

Twenty percent of the people derive most of their income from social security;

There is one doctor for every 2,065 people, compared to a State average of 1 to 919. I might add that 1 to 2,065 is about the same as the ratios for Nicaragua and Brazil.

Since their inception in 1966, the EDA and the Upper Great Lakes Regional Commission have provided \$7.7 million in economic development assistance to northwestern Wisconsin communities. Of course, this amount of money is "peanuts" compared to the needs of the region. To expect such resources to be sufficient to reverse a trend of economic decline that has been going on for decades is unrealistic. Yet, these funds have triggered substantially larger investments by local communities, the State and the private sector. As a result, these Federal funds have been high powered dollars and have had a multiplier effect throughout the region. The new jobs and business activity promoted by the infusion of this capital has reduced the rate of decline in some parts of northwest Wisconsin and actually resulted in increased growth in others.

Three cases from northwestern Wisconsin will demonstrate that these economic programs do produce a substantial "bang for the buck."

EDA provided a business loan of about \$700,000 to Jeno's Inc. in late 1970 to enable them to open a new manufacturing facility in northwestern Wisconsin. This investment, which EDA participation made possible, has resulted in nearly 200 full-time direct manufacturing jobs in northwestern Wisconsin.

The Memorial Medical Center, Inc., in Ashland, Wis., has received a \$900,000 public works grant from EDA for a new hospital. This grant has created 100 direct jobs and 150 related ones in northwestern Wisconsin. It has also enabled an area with severe medical service shortages to create a regional medical center with a wide service area in northern Wisconsin.

The Upper Great Lakes Regional Com-

mission is providing \$50,000 for the development of an economic development program for the Duluth/Superior area. This has enabled Douglas County and the city of Superior to hire a full-time economic planning expert. Given recent unemployment levels in this area, such a program is extremely important.

Many additional examples could be cited. I could also note an even larger number of projects that have had to be turned down by these organizations because of lack of funds. These projects could have kept existing jobs in this economically depressed area and created additional employment opportunities as well.

When one understands the needs of these areas and the effectiveness of these programs given the limited funding, it is hard to see how the President could call them "lower priority" in his budget. Can they be "lower priority" than loans to big business, grants to foreign military dictators, space technology research, more weapons purchases? I think not.

While abolishing EDA and the regional commissions, the administration provided "substitute" programs that it claimed will be more effective in meeting the same needs. These proposed programs are totally inadequate. Not only is the proposed funding minuscule when compared to the funds available from EDA and the regional commissions in the past, but the programs have no focus. The new programs proposed by the White House would be available to rich and poor communities on an equal basis. The President's budget, in effect, abandons some of the poorest areas of the United States with a lecture on "self reliance" and "equal treatment for all Americans."

The frequent White House harping on these two themes reminds me of something Will Rogers once said about "equal treatment." He said:

It all depends upon what you mean by equality. For instance, the poor and the rich get the same amount of ice, but the poor gets theirs in the wintertime.

The bill we are considering today, H.R. 2246, is in my opinion, far less than what is required for the balanced economic growth of the most economically depressed rural areas of our Nation. A sharp rise in economic development funds and assistance to workers and businesses facing new environmental regulations is needed, in my judgment, and needed fast.

However, as a result of the President's action, it is essential that we pass legislation immediately or EDA and the regional commissions are dead. Therefore, in the interest of salvaging something, I support the simple extension of these programs as proposed by the Public Works and Economic Development Committees.

I urge all Members who share my concern for the well-being of people living in the most economically distressed rural areas of our country to vote for H.R. 2246.

Mr. FLOOD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is well known that I seldom take this floor unless I speak in support or in connection with the bills

coming from my Committee on Appropriations; very, very rarely indeed. The Members of the House are lucky.

But, in this case, as most of the senior Members here would know or most of them have heard—and the Members will not mind my being parochial for this purpose, although I plead to that as do all of us—but if there ever was exhibit A for the continuation of this bill, unfortunately, my district is that exhibit.

To compound the difficulty, an act of God—Agnes. Remember? Oh, dear God, I hope we do not forget Agnes. To compound all of this, there is no bill; there is no law that can do for my district and for most of the Southern States what can be done by this program.

When I came here in 1945, to show you what a dynamic and strong and effective Congressman I was, I lost 100,000 people—100,000 people moved out of my district in 20 years after I was elected, to get away from me, I suppose—a hundred thousand.

This was the worst economic distress in the Nation. Remember the Flood-Douglas bill, Appalachia, all these things?

Now, not by largesse, not by handouts, but by Operation Bootstrap, up by our own boots we pulled ourselves up and up from 19.7 percent unemployed—19.7 percent—up until today just about 9 percent. But, we helped ourselves.

The Members know the people I come from; race, color, creed, religion in the hard coal fields. You name it, I have it. We do not stand there with our hats in our hands, with tin cups. We are as good as anyone. We need help, we admit that. We help ourselves, but we need you to help us.

We will make out both economically within a few years to the national level of unemployment, and even now out of the mud and the slime of this terrible disaster, we are coming back.

This bill—1 more year; 1 more year. There should not be, Mr. Chairman, there cannot be—I know there cannot be a 100 votes today against this bill. There cannot be 100 votes.

Mr. CEDERBERG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time not in any way to indicate that I do not believe there has been some progress under the Economic Development Administration or that they have not done some good things, but it just seems to me that we are showing daily in this Congress we are afraid of change, that everything we have done in the past is the best way to do it. I do not happen to believe that is true.

What we are trying to do, as I understand it, in the new budget, is to provide funds in a more orderly way, by increasing funds for rural development, economic development in rural areas, by providing additional funds to the Small Business Administration and HUD, rather than having it in EDA, with all of its administrative costs.

EDA, as Members know from working with this program, has amounted to having so much taken from EDA and so much from other departments, and then putting it in a package. As a result, it

has become an administrative monstrosity and this must be corrected.

That is all we are trying to do. We all want to accomplish the same objectives.

All of our subcommittees of the Appropriations Committee are holding hearings right now on the President's 1974 budget. In that budget, as I believe it has been pointed out before, are increases to take care of the funds that were formerly in EDA. As we carry on these hearings we are probably going to have to make a decision. Should we cut the President's budget for rural development? Should we cut the request for SBA? Should we cut the increase requested for HUD? Those are funds that are supposed to take over the same job EDA is doing now.

No, some Members will not do that. They will vote for the increase, for the authorization, for the extension of EDA and then, increase the other items as well, thereby having it both ways. We cannot have any sensible fiscal management under that kind of an operation.

I also sit as a member of the Joint Committee on the Budget, between the House and the Senate. We were charged by an overwhelming vote of the House and the Senate, to come out with a proposal that would bring back to the Congress its responsibility in controlling budgetary affairs. Before we have had even an opportunity to hold our hearings or to come out with what is a recommended spending ceiling all of the committees are going ahead, increasing authorizations over and above those requested and extending programs which are not even in the budget. Yet, as I have stated, we have not had the opportunity to present our proposal at all—and, I might say, this not only applies to the Appropriations Committee, but it also applies to all of the authorizing committees.

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

Mr. CEDERBERG. I yield to the minority leader.

Mr. GERALD R. FORD. Let us be factual.

In August of 1972, the Congress passed the Rural Development Act, and it was praised from this body to the other body. I believe it is probably good legislation.

In the budget for the next fiscal year, page 182, under that legislation, there is listed water and waste disposal loan obligation proposed, \$345 million; under industrial development loan obligation, \$200 million; and under community facility loan obligation, \$100 million.

We passed that legislation last year. The administration wants to fund it. Why do we have to perpetuate a program which we started a number of years ago, when we can substitute newer and better legislation, as we did under the Rural Development Act?

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. I have answers to the questions asked by the minority leader.

Point 1: The operation of the Rural Development Act is a long way off.

Point 2: Implementation of the other

programs voted upon, such as revenue sharing, will not come until July 1974.

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

Mr. CEDERBERG. Yes, I yield to the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD).

Mr. GERALD R. FORD. Mr. Chairman, I did not mention the better community legislation. I talked about a piece of legislation that is on the statute books now that was enacted August 30, 1972. If all the administration wants to do is fund that program as Congress recommended and discontinue the EDA, which was originally considered to be a temporary piece of legislation, that is another matter.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CEDERBERG), has expired.

Mr. CEDERBERG. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. JONES of Alabama. Mr. Chairman, reserving the right to object, in regard to the next request, I am going to resist any extension of the 5 minutes of time.

Mr. CEDERBERG. Mr. Chairman, I really do not want to prolong this.

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

There was no objection.

The CHAIRMAN. The gentleman from Michigan (Mr. CEDERBERG) is recognized for 2 additional minutes.

Mr. JONES of Alabama. Mr. Chairman, I withdraw my reservation.

Mr. CEDERBERG. Mr. Chairman, I would like to ask the gentleman from Alabama, or the gentleman from Arkansas a question.

My subcommittee handles the appropriations for EDA and there is nothing in the budget for this program. Does the gentleman intend to put an amendment onto the appropriation bill to put money in for this program?

Mr. JONES of Alabama. I have no idea, but I would expect the gentleman from Michigan to be generous when we pass this bill to see that the action is taken.

Mr. CEDERBERG. Mr. Chairman, that is not my question.

The question is: There is no money in the budget now. Can we anticipate an amendment to add the money?

Mr. JONES of Alabama. Mr. Chairman, if we pass this bill, we will certainly be solicitous enough of the gentleman to put the money in and do a better job than has been done in the past, because we have authorized \$7 billion in the law, and we have been given \$2 billion.

Mr. CEDERBERG. Mr. Chairman, that raises another question.

If we put the money in, will the gentleman then support reductions in the budget in the other areas such as rural development, small business, and HUD or will he be for both of them?

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. As to the billion and a quarter dollars that has been talked about here, that is the authorization figure. The Appropriations Committee has really only been funding at approximately 30 percent of the authorization level or a little over \$350 million; I think this point should be made clear. Additionally, of the amount that has been appropriated for fiscal year 1973, \$11.4 million has been impounded.

Mr. CEDERBERG. Well, Mr. Chairman, the gentleman has not answered my question.

My question is: Are the Members going to support both increases or cut one? What are they going to cut?

Mr. HAMMERSCHMIDT. I think, of course, we will get the chance to study the various aspects of the legislation which is requested by the administration. Review of these proposals is part of the need for this extension; to give the committee needed time to review existing economic development legislation in light of these proposals and make legislative changes, if changes are necessary.

Mr. CEDERBERG. So I would point out again, Mr. Chairman, nobody knows whether we want to go down one road or down both roads or consider cuts in rural grants or increases in EDA.

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

Mr. Chairman, during my years in the Congress, I have witnessed the initiation of many Federal programs designed to meet many specific needs. The test of time proved some of these programs to be worthwhile, some not-so-worthy, and some questionable.

Surely there has never been any question about the merits of the Economic Development Administration's track record. Sometimes, one must look back in order to tell where they have been and where they are headed. Did they stay on course? Did they accomplish their goals? Was the trip necessary? What were the strengths and weaknesses as they journeyed into the unknown?

In order to make an intelligent evaluation of the success or failure of the Economic Development Administration, I believe we must look back and examine the "Congressional Findings and Purposes" of the Public Works and Development Act of 1965. I wish to cite title 42, paragraph 3121 of the United States Code which reads as follows:

The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families, and waste invaluable human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development; that Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such

areas to enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions, provided that such assistance is preceded by and consistent with sound, long-range economic planning; and that under the provisions of this chapter new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

The administration has made it clear it wishes to dismantle many social programs designed to help people. This is true in housing, sanitation facilities, rural development, programs for the poor, the public employment program, education and others. But I cannot believe the President intended to cut off opportunities for people to help themselves. Community leaders in high unemployment areas will attest to the success of EDA.

Lest we lose sight of the meaning of the term "Economic Development" I would suggest that the Office of Management and Budget confer with Governors of Appalachia, city managers in Michigan, county administrators in California, mayors in New England, and, last but not least, the EDA regional directors. Ask these directors—appointed by the present administration—to "tell it like it is." Query these directors and their aides as to the effectiveness of EDA. They have known the sense of pride that is associated with a successful Federal program.

I believe the results of such a survey would lead to expansion of the present EDA program.

Mr. Chairman, I am glad to be one of the 150 cosponsors of H.R. 2246 which is designed to extend the life of EDA for 1 year and I urge the Members of this body to pass this legislation with an overwhelming vote.

Mr. RUPPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wholeheartedly support the continuation of the economic development program under title V of the Public Works and Economic Development Act of 1965, the Regional Commission program and the Economic Development Administration.

As a Representative from northern Michigan, I have come to know firsthand just how valuable these programs are to the growth of rural areas of our Nation. My congressional district comprises over one-fourth of the land area of the Upper Great Lakes Region. Michigan's 11th District also includes five economic development districts under EDA.

To begin with, I want to reaffirm my support for the regional concept upon which the title V programs are based. The President himself has emphasized the importance of tackling the problems of economic and population imbalance between the urban and rural areas. It will be difficult enough to rebuild the cities to accommodate their present populations; it will be impossible if the population flow continues. Therefore, it is imperative—not just from the rural standpoint, but from the urban view as well—that we create the jobs and revitalize the communities of rural Ameri-

ca as part of a balanced effort to improve the Nation's well-being.

The regional commissions and EDA are vital parts of that balanced effort. In the 11th Congressional District of Michigan, for example, the Upper Great Lakes Regional Commission in fiscal year 1972 alone provided some \$1,513,476 in grant moneys that contributed to local development projects totaling over \$11.4 million. Some of these projects might have been accomplished without the Commission's assistance. However, I think it is safe to say that the vast majority were completed because the Commission provided needed funds to communities so they could avail themselves of matching assistance from other Federal sources. In effect, under the able leadership of Cochairman Tom Schweigert, the Upper Great Lakes Regional Commission has acted as a catalyst for numerous projects whose financial elements would never have come together but for its efforts.

Likewise, EDA has contributed substantially to northern Michigan's economic growth. In fiscal year 1972, EDA injected into the 11th Congressional District over \$5,400,000 for a wide variety of job-producing public projects, business loans and planning studies. Last week, EDA announced the approval of a \$2.5 million loan for a manufacturing firm in Menominee, Mich.—a company whose new facilities will be located in the Menominee Industrial Park, also built with EDA funding. This new plant will create 385 new jobs in an area which has experienced an unemployment rate of 10 to 15 percent. It is EDA-assisted projects such as this which are giving new life to small communities across northern Michigan and the Nation.

If we are ever going to overcome the population and economic imbalance between urban and rural America, we must continue to provide this loan and grant assistance. In its proposed fiscal 1974 budget, the administration argues that the functions of EDA and the Regional Commissions can effectively be carried on by loan programs under the Rural Development Act, special revenue sharing programs, and increased business loan guarantees under the Small Business Administration.

I am skeptical about these arguments on two counts. First, the Small Business Administration and the Rural Development Act are primarily geared to provide loan guarantees—not direct grants. These loan policies alone will not be fully adequate in overcoming the peculiar problems of developing rural America. Even with the availability of loan guarantees, rural areas cannot easily obtain the full amount of private capital necessary to finance costly projects such as water delivery systems, airport construction, community facilities, and industrial parks. Therefore, the direct grant moneys provided by the Regional Commissions and EDA still will be desperately needed to compensate for the shortage of capital in small rural communities.

Second, the funding of the Rural Development Act and the special revenue sharing programs is by no means an accomplished fact. While these proposals

may eventually provide the necessary Federal assistance for the development of rural America, I do not believe that we can afford to let the grant moneys and delivery systems under title V lapse while we wait for the implementation of substitute programs.

Mr. Chairman, I strongly urge that the Regional Commission and EDA be continued during Fiscal 1974. These programs have served northern Michigan and all of rural America well. They deserve the continued support of the Congress.

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. MAZZOLI. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman.

Mr. MAZZOLI. Mr. Chairman, I am proud to represent Kentucky which has benefited so greatly from the pioneering work in the area of concentrated economic development performed by the Appalachian Regional Commission.

Today, I am speaking in favor of H.R. 2246, however, by events which are closer to me and my home district than Appalachia.

For nearly 2 years, officials and civic leaders of my home community, Louisville, Ky., have been working tirelessly to develop a proposal which was solicited and encouraged by officials of the present national administration.

The objective of this proposal was to have the Economic Development Administration designate a low-income area of Louisville as a special impact area or SIA.

As one of EDA's special target areas, this section of Louisville would then become the site for a concentrated, well-coordinated, and thoroughly comprehensive effort to bolster the economy and obtain useful, productive employment for its 127,000 residents.

If I might paraphrase the recent words of the President, the designation as a special impact area would provide a great many unemployed and underemployed Louisvillians with an opportunity to "do something for themselves."

To make a long story short, Mr. Chairman, the efforts of the Louisville officials working through the office of Maj. Frank W. Burke and through the Louisville Economic Development Council, Inc., were successful. Louisville met the criteria imposed by the Federal officials in Washington. It won the coveted designation as one of EDA's special impact areas.

But now comes the kicker.

One week before the Commerce Department announced Louisville's victory, the Presidential budget had been released announcing the intention to do away with the Economic Development Administration.

Thus, after all of the effort and the considerable expense which went into developing the Louisville proposal, after meeting all the standards set by officials of this administration, Louisville now has been told that there would not be an Economic Development Administration to carry out the special impact program.

The leaders back home in my district—

and all of the others which have worked to cooperate with EDA's special impact program—are suddenly told that their effort may have been in vain, or that it may only partially prove worthwhile.

By passing this bill (H.R. 2246) today, Mr. Chairman, I think we can tell the administration that the people of this country do want to something for themselves.

In my district, the people do want to bring in new industry and commerce to a 9,728-acre inner-city area of economic stagnation.

They do want to see new vocational training centers established so that the job skills of the unemployed and underemployed can be upgraded.

In essence, I think these are the kind of priorities shared by the great majority of the people in all of the congressional districts of this great country.

I urge all of my colleagues to cast their vote today in favor of increasing the self-sufficiency of our less fortunate citizens by voting in favor of this bill. I thank you.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. Mr. Chairman, as a sponsor of H.R. 2246, the Public Works and Economic Development Extension Act, I firmly believe this measure to be one of the most important that the House will consider this year.

I say this because of what is at stake. We are talking about jobs; we are talking about human beings having the opportunity of working to support themselves and their families and functioning as productive citizens. To me there is no higher priority than strengthening the economic well-being of our people.

The administration wants to kill off a number of programs under the guise of improving governmental efficiency. I have no quarrel with this objective but let us not kid ourselves with a lot of talk about improving the utilization of Federal resources by dismantling agencies that do not happen to fit the administration's new federalism scheme. Let us face it, there is a more basic issue at hand. The administration is faced with a mounting deficit and a tax increase because of economic mismanagement.

To worm its way off this fiscal hook the administration wants to dump the blame on the Congress by criticizing us for excessive spending and pointing a finger at us for a tax increase to pay for these programs. Well, I think this approach is full of holes for the simple reason that the programs involved, including those of the Economic Development Administration, are designed to create additional tax revenues because they put people to work.

I am all for controlling excessive spending. In the past 4 years the Congress has cut unnecessary Presidential spending requests by over \$20 billion. The cuts have been made in areas where they should be made.

They have not been made in programs that are beneficial to the people of this country.

The administration has attempted to justify the dismantling of EDA on the basis of improving the Federal Govern-

ment and strengthening local and State government. In this instance the justification is fallacious. First of all, the purpose of the Public Works and Economic Development Act is to provide Federal assistance, in cooperation with the States and localities, to economically depressed areas to help themselves. These areas develop their own plans for economic development and the creation of jobs. At the present time, there is no other Federal program that assists economically depressed areas in this manner.

Improvement of intergovernmental relations through special revenue sharing is broached as a reason for scuttling the Public Works and Economic Development Act. Even if special revenue sharing is enacted it would not become effective until fiscal year 1975, a year after EDA is abolished. There would be no program to fill the gap and our depressed areas would be left holding the bag.

The administration has cited the Rural Development Act as a replacement for the legislation we are considering today. Unfortunately, the administration fails to point out that the Rural Development Act is basically a rural loan program. On the other hand, the public facility program under EDA is a grant program for both urban and rural areas. The loan program is no substitute for the grant program. Distressed areas need grants, not loans.

The programs of the Small Business Administration are mentioned as substitutes for EDA programs. While SBA can complement EDA, it is not an adequate substitute because it is more of a mechanism to assist small businessmen and does not have the legislative wherewithal to carry out economic development activities authorized by the Public Works and Economic Development Act. Specifically, SBA can make direct loans of up to \$350,000 to assist small business; EDA through its business development program makes loans in excess of \$1 million to create permanent jobs in areas of high unemployment and underemployment.

In closing, Mr. Chairman, I would like to note that the unemployment rate has gone up again. This is no time to kill off programs that are designed to create employment.

Mr. PERKINS. Mr. Chairman, I personally feel we are going to make a mistake here that we have made so often in the past if this legislation is not approved. I have no doubt about the passage of this legislation today, but if we fail to fund it we are going to see a period where nothing is going to be done in the way of economic development in the most distressed areas of America.

The Small Business Administration is no substitute for the EDA. Neither is the Rural Development Administration. The Farmers Home Administration is no substitute. That legislation operates in areas that are not in great need, but the EDA has performed exemplary work in areas like Appalachia. In eastern Kentucky and West Virginia and other sections of the country, SBA is not serving those communities with small resources, because it was not set up to cope with Appalachia's peculiar and unique problems.

The SBA, the RDA, and the Farmers Home Administration have different orientations entirely. They do their own jobs well but they are just not designed to handle massive areawide problems such as we have in Appalachia.

The only program, the only ongoing program, we have in the poorest of the poor communities are the programs of the Economic Development Administration. I would hate to see the work previously undertaken by EDA abandoned on the theory that other governmental agencies will take over. If other governmental agencies are going to take over rural development, it will require a transition period or at least 1 year, and possibly several.

I cannot see why this Congress would go along with any proposal which would leave the most economically disadvantaged sections of the entire country without hope or succor for at least another year.

Passage of this legislation is the least that we can do. If we are going to hold the people in these rural communities such as those I represent, it would take \$50 million for the next year for water and sanitation facilities alone. The same thing is true in many of the West Virginia communities, and throughout the Appalachian area. It takes a long time to get a program like the Economic Development Administration into operation, and it has taken several years to bring it to its present level. If the President is determined to dismantle the Economic Development Administration, Congress should serve notice that here is where the line is to be drawn. We should say in a loud voice that the only act that we have in existence to serve the poorest of the poor communities in this country will not be destroyed. We must serve notice that we intend that this act should continue to serve these communities, and continue its task of improving the life of rural America.

I am hopeful, Mr. Chairman, that the vote will be overwhelming on this, and that the necessary funds will be appropriated to carry it out to the full intent of the American people and the Congress that represents them.

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

Mr. MATHIAS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate having the opportunity to express my strong support rural area—an area that has a historical for legislation which provides for a 1-year extension of Economic Development Administration at its present level of funding.

While I am in full accord with the President's goal to hold the line on taxes and inflation by eliminating those programs which have proven to be inefficient or ineffective, I cannot agree that EDA falls into this category.

By ending the EDA program now, many areas in California, particularly the 18th Congressional District, would be unable to cope with unemployment which continues to be a severe problem. The most recent Department of Labor figures for the counties I represented during my first three terms in office show

that the average unemployment rate in 1971 for Kern County was 6.3 percent and for Tulare County—7.3 percent. This alarming high rate of unemployment attests to the fact that the need for programs like EDA has not diminished.

Both counties desperately need Federal assistance to stimulate employment. The EDA program, which assists communities in attracting industry and, in turn, creates jobs in the area, is a vital necessity in combating the unemployment problem.

Several of the communities in my district, particularly hard-hit by unemployment, have relied on EDA's assistance. The city of Delano can testify to the importance of the program. The city has laid dormant over an 8-year period; the tax base gained from property sales and other limited sources was so low that a reduction in staff was necessary; no capital improvement programs were possible; and an unemployment rate of 9.4 percent to as high as 23 percent made the city's future bleak.

One of the projects approved by EDA for Delano was the construction of sewer and water facilities in conjunction with the establishment of a 61-acre industrial park at the site of the Delano Airport. This project has the potential for creating more than 1,300 new jobs in Delano. As the city manager of Delano, James Peel, stated:

The EDA program has enabled the city of Delano to help themselves and it has provided the stimulus to change the future of our community.

In Porterville, EDA assistance provided funds for the construction of capital improvement projects which resulted in new employment opportunities in this rural area—an area that has a historically high unemployment rate. Ed Valliere, the city manager told me that Porterville's participation in the EDA program during a time of stress has proven to be a catalyst for the continued industrial growth and economical stabilization of the community.

EDA assistance has been especially helpful to the minorities living in Visalia. The grants from EDA have opened up job opportunities for Mexican-Americans who, having been displaced by the mechanization of agriculture would be on the welfare rolls. Another important benefit is that there now exists suitable jobs for the young people of this community.

I think worthy of note is a statement by Lynn Dredge, the city manager of Tulare. In referring to the grants the city has received, he states that—

The EDA funds have been the most productive grant-in-aid dollars which have been provided this community in terms of long-range development and provided employment opportunities for under-employed and unemployed people. When considering the fact that our community has a 5% to 6% unemployment rate, our new industrial park and its first industry will have an immeasurable impact for good on Tulare.

Not only has EDA been effective in aiding industrial growth of cities in my district, it has provided substantial benefit to the Tule River Indian Reservation. As a result of EDA's grant, a community services building has been constructed,

providing employment for 26 residents of the reservation, as well as serving as the hub for tribal activities.

I think it is clearly understood, from the above examples, that the benefits resulting from these EDA grants have been of paramount importance. It certainly shows that economically depressed communities have legitimate needs for EDA funds.

I believe that the best way to quickly reduce unemployment is to provide grants and loans for local government and business construction projects which create immediate construction jobs in areas of high unemployment and, thus, will have highly desirable side effects in creating new employment throughout the area.

It has been my experience that EDA has been one of the most functional and expedient agencies that I and my staff have had an opportunity to deal with. EDA is the most effective mechanism yet devised to help in the solution of some of the difficult problems of our Nation. Therefore, I recommend, strongly, that legislation to extend this program be given full support by the Members of the House of Representatives.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, despite some good results from the projects accomplished under the Economic Development Act, in my judgment the time is now ripe for EDA to terminate.

EDA was essentially an emergency public works kind of program. Some even call it a make-work program. It could be justified at a time of widespread economic distress, but it is less relevant now when the economy is moving ahead well.

EDA could still be justified, and be needed if there were no alternative programs. But we have been told today that the proposed administration budget will provide \$1.4 billion in loans and grants. For instance, nearly half of the funds expended under EDA are for sewer and water projects. We have lots of competitive programs through other agencies for sewer and water. Other agencies like SBA, Rural Development, HUD, and so forth, also have funds or loans for similar projects.

As the economy gets stronger, and because there are alternatives, EDA begins to look like just another, sometimes redundant, grant-giving agency. Sure it does good things. But so do other agencies. How many programs do we need? In 1970, a town in Minnesota built a sewer plant. It received funds from FWPCA, EDA, FHA, HUD, and the Upper Great Lakes Development Commission. I say it is time for a little consolidation.

The CEA has also recommended termination of EDA. I hope we concur here today. An extra \$1.2 billion, as provided by H.R. 2246, will surely wreck the budget. Most of us have expressed interest in holding down expenses this year. We have a good opportunity to do so by voting down H.R. 2246.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MATSU-

NAGA) having resumed the chair, Mr. ADAMS, 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. 2246) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-year period pursuant to House Resolution 295, 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.

MOTION TO RECOMMIT OFFERED BY MR. GROVER

Mr. GROVER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GROVER. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GROVER moves to recommit the bill H.R. 2246 to the Committee on Public Works.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. JONES of Alabama. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 278, nays 108, not voting 46, as follows:

[Roll No. 50]

YEAS—278

Abdnor	Clark	Foley
Abzug	Clausen,	Ford,
Adams	Don H.	William D.
Addabbo	Clay	Fountain
Alexander	Cleveland	Fraser
Anderson,	Cochran	Froehlich
Calif.	Cohen	Fulton
Andrews, N.C.	Conte	Fuqua
Andrews,	Conyers	Gaydos
N. Dak.	Corman	Gialmo
Annunzio	Cotter	Ginn
Ashley	Crонin	Gonzalez
Aspin	Culver	Grasso
Baker	Daniels	Gray
Barrett	Dominick V.	Green, Oreg.
Beard	Danielson	Green, Pa.
Bevill	Davis, Ga.	Gunter
Blester	Davis, S.C.	Haley
Bingham	de la Garza	Hamilton
Blatnik	Delaney	Hammer-
Boland	Dellenback	schmidt
Boiling	Dellums	Hanley
Bowen	Denholm	Hanna
Brademas	Dent	Hanrahan
Brasco	Diggs	Hansen, Wash.
Breaux	Dingell	Harrington
Breckinridge	Donohue	Hastings
Brinkley	Dorn	Hawkins
Brown, Calif.	Downing	Hays
Brown, Ohio	Drinan	Hebert
Broyhill, N.C.	Dulski	Hechler, W. Va.
Burke, Calif.	Duncan	Heckler, Mass.
Burke, Mass.	du Pont	Heinz
Burlison, Mo.	Eckhardt	Helstoski
Burton	Edwards, Calif.	Henderson
Butler	Elberg	Hicks
Byron	Evans, Colo.	Holtzman
Camp	Fascell	Horton
Carey, N.Y.	Fisher	Howard
Carter	Flood	Hungate
Casey, Tex.	Flowers	Johnson, Calif.
Chappell		Jones, Ala.

Jones, N.C.	Obey	Stanton,
Jones, Tenn.	O'Hara	J. William
Jordan	O'Neill	Stanton,
Karth	Passman	James V.
Kastenmeier	Patman	Stark
Kazan	Patten	Steed
Keating	Pepper	Steele
Kemp	Perkins	Stephens
Kluczynski	Pettis	Stokes
Kyros	Peyser	Stratton
Landrum	Poage	Stubblefield
Lehman	Podell	Stuckey
Litton	Preyer	Studds
Long, La.	Price, III.	Sullivan
Long, Md.	Pritchard	Symington
Lott	Quie	Taylor, Mo.
Lujan	Randall	Taylor, N.C.
McCloskey	Rangel	Thompson, Wis.
McCormack	Rees	Thone
McDade	Reid	Thornton
McFall	Reuss	Tiernan
McKay	Riegle	Udall
McKinney	Roberts	Ullman
McSpadden	Robison, N.Y.	Van Deelen
Macdonald	Rodino	Vander Jagt
Madden	Roe	Vanik
Mallary	Roncalio, Wyo.	Veysey
Mann	Rooney, Pa.	Vigorito
Martin, N.C.	Rose	Waggoner
Mathias, Calif.	Rostenkowski	Walsh
Mathis, Ga.	Roush	Wampler
Matsunaga	Roy	Whalen
Mazzoli	Royal	White
Meeds	Runnels	Whitten
Meicher	Ruppe	Widnall
Metcalfe	Ruth	Wilson,
Mezvinsky	Ryan	Charles H.,
Miller	St Germain	Calif.
Mills, Ark.	Sarasin	Wilson,
Minish	Sarbanes	Charles, Tex.
Mink	Scherle	Wolf
Mitchell, Md.	Schroeder	Wright
Mizell	Seiberling	Wyman
Moakley	Shriver	Yates
Mollohan	Shuster	Yatron
Montgomery	Sikes	Young, Alaska
Moorhead, Pa.	Sisk	Young, Ga.
Morgan	Skubitz	Young, S.C.
Moss	Slack	Young, Tex.
Murphy, III.	Smith, Iowa	Zablocki
Murphy, N.Y.	Smith, N.Y.	Zion
Myers	Snyder	Zwach
Natcher	Spence	
Nedzi	Nix	
	Staggers	

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Anderson, III.	Frenzel	Moorhead,
Archer	Frey	Calif.
Arends	Gilman	Mosher
Armstrong	Goldwater	Nelsen
Bennett	Goodling	Parris
Blackburn	Gross	Rallsback
Broomfield	Grover	Regula
Brown, Mich.	Gubser	Rinaldo
Broyhill, Va.	Gude	Robinson, Va.
Buchanan	Guyer	Rogers
Burgener	Hansen, Idaho	Roncallo, N.Y.
Burke, Fla.	Hillis	Rousselot
Burleson, Tex.	Hogan	Sandman
Cederberg	Holt	Satterfield
Chamberlain	Huber	Saylor
Clancy	Hudnut	Schneebeli
Clawson, Del.	Hunt	Sebelius
Collie	Hutchinson	Shipley
Collins	Ichord	Shoup
Conable	Jarman	Steelman
Coughlin	Johnson, Colo.	Steiger, Ariz.
Crane	Johnson, Pa.	Steiger, Wis.
Daniel, Dan	Ketchum	Symms
Daniel, Robert	Landgrebe	Talcott
W., Jr.	Latta	Teague, Calif.
Davis, Wis.	Lent	Towell, Nev.
Dennis	McClory	Treen
Derwinski	McCollister	Ware
Devine	Madigan	Whitehurst
Edwards, Ala.	Mahon	Wiggins
Erlenborn	Maillard	Williams
Esch	Maraziti	Wilson, Bob
Findley	Martin, Nebr.	Wyatt
Flynt	Mayne	Wydier
Ford, Gerald R.	Michel	Wylie
Forsythe	Milford	Young, Ill.
Frelinghuysen	Mills, Md.	

NOT VOTING—46

Ashbrook	Carney, Ohio	Harsha
Badillo	Chisholm	Harvey
Bafalis	Conlan	Hinshaw
Bell	Dickinson	Holifield
Bergland	Eshleman	Hosmer
Biaggi	Fish	Jones, Okla.
Bray	Gettys	King
Brooks	Gibbons	Koch
Brotzman	Griffiths	Kuykendall

Leggett	Pickle	Rosenthal
McEwen	Pike	Teague, Tex.
Minshall, Ohio	Powell, Ohio	Waldie
Mitchell, N.Y.	Price, Tex.	Winn
Nichols	Rarick	Young, Fla.
O'Brien	Rhodes	Rooney, N.Y.
Owens		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McEwen for, with Mr. Eshleman against.

Mr. Dickinson for, with Mr. Conlan against.

Mr. Mitchell of New York for, with Mr. Young of Florida, against.

Mr. Pickle for, with Mr. Rhodes against.

Mr. Holifield for, with Mr. King against.

Mr. Nichols for, with Mr. Price of Texas against.

Mr. Rooney of New York for, with Mr. Bafalis against.

Mrs. Chisholm for, with Mr. Hosmer against.

Until further notice:

Mr. Gettys with Mr. Ashbrook.

Mr. Brooks with Mr. Harsha.

Mr. Bergland with Mr. Brotzman.

Mrs. Griffiths with Mr. Bray.

Mr. Koch with Mr. Harvey.

Mr. Biaggi with Mr. Fish.

Mr. Badillo with Mr. Leggett.

Mr. Teague of Texas with Mr. Minshall of Ohio.

Mr. Waldie with Mr. Bell.

Mr. Pike with Mr. Hinshaw.

Mr. Gibbons with Mr. Kuykendall.

Mr. Owens with Mr. O'Brien.

Mr. Rosenthal with Mr. Powell of Ohio.

Mr. Rarick with Mr. Winn.

Mr. Carney of Ohio with Mr. Jones of Oklahoma.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 7. An act to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes.

#### GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill just considered, and to include therein extraneous matter and that all Members may have 5 legislative days in which to extend their remarks on the bill, and that I may revise and extend the remarks I made in the Committee of the Whole.

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

There was no objection.

#### REHABILITATION ACT OF 1973

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill—S. 7—to amend the Vocational Rehabilitation Act to extend and revise the authorization of grants to States for vocational rehabilitation services, to authorize grants for rehabilitation services to those with severe disabilities, and for other purposes, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

That this Act, with the following table of contents, may be cited as the "Rehabilitation Act of 1972".

#### TABLE OF CONTENTS

- Sec. 2. Declaration of purpose.
- Sec. 3. Rehabilitation Services Administration.
- Sec. 4. Advance funding.
- Sec. 5. Joint funding.
- Sec. 6. Consolidated rehabilitation plan.
- Sec. 7. Definitions.
- Sec. 8. Allotment percentage.
- Sec. 9. Audit.
- Sec. 10. Nonduplication.

#### TITLE I—VOCATIONAL REHABILITATION SERVICES

##### PART A—GENERAL PROVISIONS

- Sec. 100. Declaration of purpose: Authorization of appropriations.
- Sec. 101. State plans.
- Sec. 102. Individualized written rehabilitation program.
- Sec. 103. Scope of vocational rehabilitation services.
- Sec. 104. Non-Federal share for construction.

##### PART B—BASIC VOCATIONAL REHABILITATION SERVICES

- Sec. 110. State allotments.
- Sec. 111. Payments to States.
- Sec. 112. Client assistance.

##### PART C—INNOVATION AND EXPANSION GRANTS

- Sec. 120. State allotments.
- Sec. 121. Payments to States.

#### TITLE II—COMPREHENSIVE REHABILITATION SERVICES

- Sec. 200. Declaration of purpose: Authorization of appropriations.
- Sec. 201. State allotments.
- Sec. 202. Payments to States.
- Sec. 203. State programs.
- Sec. 204. Special projects.
- Sec. 205. Definition.

#### TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

- Sec. 300. Declaration of purpose.
- Sec. 301. Grants for construction of rehabilitation facilities.
- Sec. 302. Vocational training services for handicapped individuals.
- Sec. 303. Mortgage insurance for rehabilitation facilities.
- Sec. 304. Annual interest grants for mortgages for rehabilitation facilities.
- Sec. 305. Special projects and demonstrations.
- Sec. 306. National Center for Deaf-Blind Youths and Adults.
- Sec. 307. Rehabilitation Centers for Deaf Individuals.
- Sec. 308. Rehabilitation Centers for Spinal Cord Injuries.
- Sec. 309. Grants for services for end-stage renal disease.
- Sec. 310. Rehabilitation services for older blind individuals.
- Sec. 311. National Advisory Council on Rehabilitation of Handicapped Individuals.

Sec. 312. State advisory councils.

Sec. 313. General grant and contract requirements.

#### TITLE IV—RESEARCH AND TRAINING

- Sec. 400. Declaration of purpose.

- Sec. 401. Authorization of appropriations.

- Sec. 402. Research.

- Sec. 403. Training.

- Sec. 404. Reports.

#### TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

- Sec. 500. Administration.

- Sec. 501. Program and project evaluation.

- Sec. 502. Obtaining information from Federal agencies.

- Sec. 503. Authorization of appropriations.

- Sec. 504. Reports.

- Sec. 505. Sheltered workshop study.

#### TITLE VI—OFFICE FOR THE HANDICAPPED

- Sec. 600. Establishment of Office.

- Sec. 601. Function of Office.

- Sec. 602. Authorization of appropriations.

#### TITLE VII—MISCELLANEOUS

- Sec. 700. Effect on existing laws.

- Sec. 701. Federal Interagency Committee on Handicapped Employees.

- Sec. 702. National Commission on Transportation and Housing for Handicapped Individuals.

- Sec. 703. Architectural and Transportation Barriers Compliance Board.

- Sec. 704. Employment under Federal contracts.

- Sec. 705. Nondiscrimination under Federal grants.

- Sec. 706. Appropriations for fiscal year 1973.

#### DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to provide a statutory basis for the Rehabilitation Services Administration, to establish within the Department of Health, Education, and Welfare an Office for the Handicapped, and to authorize programs to—

(1) develop and implement comprehensive and continuing State plans for meeting the current and future needs for providing vocational rehabilitation services to handicapped individuals and to provide such services for the benefit of such individuals, serving first those with the most severe handicaps, so that they may prepare for and engage in gainful employment;

(2) evaluate the rehabilitation potential of handicapped individuals;

(3) develop, implement, and provide comprehensive rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency;

(4) assist in the construction and improvement of rehabilitation facilities;

(5) develop new and innovative methods of applying the most advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems and develop new and innovative methods of providing rehabilitation services to handicapped individuals through research, special projects, and demonstrations;

(6) initiate and expand services to groups of handicapped individuals (including those who are homebound and institutionalized) who have been underserved in the past;

(7) direct the conduct of various studies and experiments to focus on long neglected problem areas;

(8) promote and expand employment opportunities in the public and private sectors for handicapped individuals and to place such individuals in employment;

(9) establish client assistance pilot projects;

(10) provide assistance for the purpose of increasing the number of rehabilitation per-

sonnel and increasing their skills through training; and

(11) evaluate existing approaches to architectural and transportation barriers confronting handicapped individuals, develop new such approaches, enforce statutory and regulatory standards and requirements regarding barrier-free construction of public facilities and study and develop solutions to existing housing and transportation barriers impeding handicapped individuals.

#### REHABILITATION SERVICES ADMINISTRATION

SEC. 3 (a). There shall be in the Department of Health, Education, and Welfare a Rehabilitation Services Administration which shall be administered by a Commissioner (hereinafter referred to as the "Commissioner"). The Commissioner shall carry out and administer all programs and direct the performance of all services for which authority is provided under titles I through IV of this Act.

(b) There shall be within such Administration a Division of Research, Training, and Evaluation, which shall be responsible for carrying out programs and projects under title IV of this Act. There shall be within such Division a Center for Technology Assessment and Application, which shall be responsible for developing and supporting, and stimulating the development and utilization (including production and distribution of new and existing devices) of, innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems, and for administration of the activities described in section 402(b) (2). Such Division shall be directed by an Assistant Commissioner, who shall be responsible to the Commissioner and shall be a person of outstanding scientific and technological achievement and learning and shall carry out his responsibilities in consultation with the National Science Foundation and the National Academy of Sciences, and shall be assigned at least ten full-time positions, five of which shall be filled by professionals of qualifications similar to the Assistant Commissioner.

(c) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31-42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

(d) In order to carry out the purposes of this Act, the authorized level of full-time personnel, or the equivalent, assigned to the Rehabilitation Services Administration to carry out duties related to the administration of this Act, is increased by sixty.

#### ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

#### JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency

or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Services Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

#### CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101(a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Services and Facilities Construction Amendments of 1970: *Provided*, That the agency administering such State's program under such Act concurs in the submission of such a consolidated rehabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, he may approve the plan to serve in all respects as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or he may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsections (c) and (d) of section 101 of this Act.

#### DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "comprehensive rehabilitation services" means vocational rehabilitation services and any other goods (including aids and devices) or services provided with funds under titles II, III, or IV of this Act that will make a substantial contribution in helping a handicapped individual to improve his ability to live independently or function normally with his family and community.

(2) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(3) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reasons of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

(4) The term "establishment of a rehabilitation facility" means, the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (sub-

ject, however, to such limitations as the Commissioner may determine, in accordance with regulations he shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of such facilities), and the initial equipment for such buildings, and may include the initial staffing thereof.

(5) The term "evaluation of rehabilitation potential" means, as appropriate in each case—

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational or comprehensive services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social and behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purpose of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services or comprehensive rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G) (i) the provision of vocational rehabilitation services or the provision of comprehensive rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individual is a handicapped individual, a handicapped individual for whom a vocational goal is not possible or with section 102(c)), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(6) The term "Federal share" means 80 per centum, except that that term means 90 per centum for the purposes of part C of title I and title II of this Act and as specifically set forth in section 301: *Provided*, That with respect to payments pursuant to part B of title I of this Act to any State which are not used to meet the costs of construction of those rehabilitation facilities identified in section 103(b) (2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to that State and that, for the purpose of determining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall, subject to such limitations and conditions as the Commissioner shall by regulation prescribe, be regarded as expenditures by such State.

(7) The term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substan-

tial handicap to employment and (B) can reasonably be expected to benefit from vocational rehabilitation services, or comprehensive rehabilitation services provided pursuant to title II, III, or IV of this Act.

(8) The term "local agency" means an agency of a unit of general local government or of an Indian tribal organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101 (a)(1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational or comprehensive rehabilitation services: *Provided*, That such an arrangement is made part of the agreement specified in this paragraph.

(9) The term "nonprofit", when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c) (3) of the Internal Revenue Code of 1954.

(10) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(11) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation or comprehensive rehabilitation services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals: (A) vocational and comprehensive rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

(12) The term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(13) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer,

cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal cord conditions, renal failure, and any other disability specified by the Commissioner in regulations he shall prescribe.

(14) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be the Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(15) The term "vocational rehabilitation services" means services identified in section 103 which are provided to handicapped individuals under this Act.

#### ALLOTMENT PERCENTAGE

SEC. 8. (a)(1) The allotment percentage for any State shall be 100 per centum less than that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33 1/3 per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Commissioner between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the July 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

#### AUDIT

SEC. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or contract under this Act which are pertinent to such grant or contract.

#### NONDUPLICATION

SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approval in accordance with section 101 or for the purposes of providing comprehensive rehabilitation services pursuant to title II of this

Act, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any cost with respect to which any payment is made under any other provision of this Act.

#### TITLE I—VOCATIONAL REHABILITATION SERVICES

##### PART A—GENERAL PROVISIONS

###### DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 100. (a) The purpose of this title is to authorize grants to assist States to meet the current and future needs of handicapped individuals, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

(b)(1) For the purpose of making grants to States under part B of this title to assist them in meeting costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated \$700,000,000 for the fiscal year ending June 30, 1973, and \$800,000,000 for the fiscal year ending June 30, 1974.

(2) For the purpose of making grants under section 120, relating to grants to States and public and nonprofit agencies to assist them in meeting the costs of projects to initiate or expand services to handicapped individuals (especially those with the most severe handicaps) there is authorized to be appropriated \$50,000,000 for the fiscal year ending June 30, 1973, \$60,000,000 for the fiscal year ending June 30, 1974, and \$75,000,000 for the fiscal year ending June 30, 1975.

###### STATES PLANS

SEC. 101. (a) For each fiscal year in which a State desires to participate in programs under this title and pursuant to title II of this Act, a State shall submit to the Commissioner for his approval an annual plan for vocational and comprehensive rehabilitation services which shall—

(1)(A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized to provide vocational and comprehensive rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency with respect to the rest of the State plan, and (ii) the Secretary, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to handicapped individuals, and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of the State;

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subclause (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational

and other rehabilitation, of handicapped individuals, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) provide, except in the case of agencies described in clause (1)(B)(i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work; and

(B)(i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1)(B)(ii), either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational and comprehensive rehabilitation services are provided for the blind to one organizational unit of such agency and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this cause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of handicapped individuals or groups of handicapped individuals the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5)(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including a description of the method to be used to expand and improve services to handicapped individuals with the most severe handicaps; and, in the event that vocational rehabilitation services cannot be provided to all eligible handicapped individuals who apply for such services, show (i) the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and show the order to be followed in selecting individuals to whom comprehensive rehabilitation services will be provided, and (ii) the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection

for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving handicapped individuals, established in regulations prescribed by the Commissioner, and

(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps;

(6)(A) contain the plans, policies, and methods to be followed in providing comprehensive rehabilitation services pursuant to title II of this Act, and

(B) provide satisfactory assurances that no such comprehensive rehabilitation services shall be paid for with funds under title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such services;

(7) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan;

(8) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provision of vocational and comprehensive rehabilitation services, but the Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provisions;

(9) providing, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provision of such services to any individual;

(10) provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each handicapped individual eligible for vocational or comprehensive rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept specifying, as to those individuals who apply for services under this title or pursuant to title II of this Act and are determined not to be eligible therefor, the reasons for such determinations;

(11) provide that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (10) of this subsection, periodic estimates of the population of handicapped individuals eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out his functions under this title, and comply with such

provisions as he may find necessary to assure the correctness and verification of such reports;

(12) provide for entering into cooperative arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and public employment offices, individuals, veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health, Education, and Welfare, the Veterans' Administration, and other Federal, State, and local public agencies providing services related to the rehabilitation of handicapped individuals;

(13) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation and comprehensive rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community;

(14)(A) provide that vocational rehabilitation and comprehensive rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special consideration will be given to the rehabilitation under this Act of a handicapped individual whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

(15) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

(16) provide for continuing statewide studies of the needs of handicapped individuals and how these needs may be most effectively met (including the State's needs for rehabilitation facilities) with a view toward the relative need for services to significant segments of the population of handicapped individuals and the need for expansion of services to those individuals with the most severe handicaps;

(17) provide for (A) periodic review and reevaluation of the status of handicapped individuals placed in extended employment in rehabilitation facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(18) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provisions of section 313 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction;

(19) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to clause (1) (or each State agency if two are so designated) and any

sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational or comprehensive rehabilitation services (or, in appropriate cases, their parents or guardians), working in the field of vocational rehabilitation, and providers of vocational and comprehensive rehabilitation services; and

(20) provide satisfactory assurances to the Commissioner that the continuing studies required under clause (16) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan.

(b) The Commissioner shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section, and he shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of his intention to disapprove its plan, and he shall afford such State reasonable notice and opportunity for hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in his discretion, that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until he is satisfied there is no longer any such failure. Until he is so satisfied, the Commissioner shall make no further payments to such State under this title for shall limit payments to projects under those parts of the State plan in which there is no such failure).

(d) If any State is dissatisfied with the Commissioner's action under subsection (b) or (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of chapter 7 of title 5, United States Code.

#### INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Commissioner shall insure that the individualized written rehabilitation program required by section 101(a) (10) in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, his parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, his parents or guardians) will be afforded an opportunity to review such program and renegotiate its terms. Such program shall include, but not be

limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals, (2) a statement of the specific vocational or comprehensive rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and, (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Commissioner shall also insure that (1) in developing and carrying out the individualized written rehabilitation program required by section 101 in the case of each handicapped individual primary emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal, and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, his parents or guardians), and only upon the certification, as an amendment to such written program, that the evaluation of rehabilitation potential has demonstrated beyond any reasonable doubt that such individual is not then capable of achieving such a goal, and (3) any such decision shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

#### SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render a handicapped individual employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including follow-up, follow-along, and other postemployment services necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided*, That no training services in institutions of higher education shall be paid for with funds under this title II of this Act unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual

services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for the deaf, and reader services for those individuals determined to be blind after an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

(7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices.

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, alone or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies; and

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized written rehabilitation program of any one handicapped individual.

#### NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 104. For the purpose of determining the amount of payments to States for carrying out part B of this title, the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of such facility.

#### PART B—BASIC VOCATIONAL REHABILITATION SERVICES

##### STATE ALLOTMENTS

SEC. 110. (a) For each fiscal year, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the product of (1) the population of the State and (2) the square of its allotment percentage bears to the sum of the corresponding products for all the States. The allotment to any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under the first sentence of this

subsection for any fiscal year which is less than one-quarter of 1 per centum of the amount appropriated under section 100(b) (1), or \$2,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining such States under the first sentence of this subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

#### PAYMENTS TO STATES

SEC. 111. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (18) of section 101(a), and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

#### CLIENT ASSISTANCE

SEC. 112. (a) The Commissioner shall set aside out of funds appropriated under section 305 for special projects and demonstrations up to \$2,500,000 but no less than \$1,000,000 for the fiscal year ending on June 30, 1973, and up to \$5,000,000 but no less than \$1,000,000 each for the two succeeding fiscal

years to establish in no less than 10 nor more than 20 geographically dispersed regions client assistance pilot programs (hereinafter in this section referred to as "projects") to provide counselors to inform and advise all clients and client applicants in the project area of all available benefits under this Act and to assist them in their relationships with projects, programs, and facilities providing services to them under this Act.

(b) The Commissioner shall prescribe regulations which shall include the following requirements:

(1) All employees of such projects shall not be presently serving as staff, consultants or receiving benefits of any kind directly or indirectly from any rehabilitation project, program or facility.

(2) The staff of such projects shall be afforded reasonable access to policy-making and administrative personnel in State and local rehabilitation programs, projects, and facilities.

(3) The project shall submit an annual report, through the State agency designated pursuant to section 101, to the Commissioner on the operation of the project during the previous year, including a summary of the work done and a uniform statistical tabulation of all cases handled by such project. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Commissioner, together with a summary of such reports and his evaluation of such projects, including appropriate recommendations.

(4) Each State agency may enter into cooperative arrangements with institutions of higher education to secure the services in such projects of graduate students who are undergoing clinical training activities in related fields. No compensation with funds appropriated under this Act shall be provided to such students.

(5) Reasonable assurance shall be given by the appropriate State agency that all clients or client applicants within the project area shall have the opportunity to receive adequate service under the project and shall not be pressured against or otherwise discouraged from availing themselves of the services available under such project.

(6) The project shall be funded, administered, and operated directly by the State agency designated pursuant to section 101.

#### PART C—INNOVATION AND EXPANSION GRANTS

##### STATE ALLOTMENTS

SEC. 120. (a) From the sums available pursuant to section 100(b)(2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sentence for any fiscal year which is less than \$50,000 (or such other amount as may be specified as a minimum allotment in the Act appropriating such sums for such year) shall be increased to that amount, and for the fiscal years ending June 30, 1973, and June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a)(2)(A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of three years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than \$50,000.

(b) Whenever the Commissioner deter-

mines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States which he determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

##### PAYMENTS TO STATES

SEC. 121. (a) From each State's allotment under this part for any fiscal year, the Commissioner shall pay to such State or, at the option of the State agency designated pursuant to section 101(a)(1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including programs to initiate or expand such services to individuals with the most severe handicaps, or of special programs under such State plan to initiate or expand services to classes of handicapped individuals who have unusual and difficult problems in connection with their rehabilitation, particularly handicapped individuals who are poor, and responsibility for whose treatment, education, and rehabilitation is shared by the State agency designated in section 101 with other agencies. The Commissioner may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Commissioner. Any grant of funds under this section which will be used for direct services to handicapped individuals or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through the fiscal year ending June 30, 1976. Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Commissioner, and shall be made on such conditions as the Commissioner finds necessary to carry out the purposes of this section.

#### TITLE II—COMPREHENSIVE REHABILITATION SERVICES

##### DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 200. (a) The purpose of this title is to authorize grants (supplementary to grants for vocational rehabilitation services under title I of this Act) to assist the several States in developing and implementing continuing plans for meeting the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible, including the assessment of disability and rehabilitation potential, and for the training of specialized personnel needed for the provision of services to such individuals and research related thereto.

(b) In order to make grants to carry out the purposes of this title, there is authorized to be appropriated \$10,000,000 for the fiscal year ending June 30, 1973, \$25,000,000 for the fiscal year ending June 30, 1974, and \$50,000,000 for the fiscal year ending June 30, 1975.

#### STATE ALLOTMENTS

SEC. 201. (a) From sums appropriated to carry out the provisions of this title for each fiscal year, less the amounts reserved by the Commissioner for projects under section 204, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the product of (1) the population of the State, and (2) its allotment percentage bears to the sum of the corresponding products for all of the States. The allotment to any State under the preceding sentence for any fiscal year which is less than \$150,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States to the extent he determines such other State will be able to use additional amounts during such year for carrying out such purpose. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purpose of this title, be regarded as an increase in the State's allotment (as determined under the preceding provisions of this section) for such year.

(c) In any fiscal year for which appropriations pursuant to this section do not exceed \$20,000,000, the Commissioner, subsections (a) and (b) of this section and section 202(a) to the contrary notwithstanding and subject to the provisions of section 313, shall carry out the purposes of this title by making grants to States and public or nonprofit organizations and agencies to pay the Federal share of the expenditures for such projects. Projects receiving such grants shall be carried out under the State plan approved under section 101 (except for the priorities in the order of selection required by section 101(a)(5)(A)) in a manner consistent with the State program submitted under section 203.

#### PAYMENTS TO STATES

SEC. 202. (a) From each State's allotment under this title for any fiscal year, the Commissioner shall pay to such State the Federal share of the expenditures incurred during such year under its State program submitted under section 203 and approved as part of the State plan approved under section 101. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

(b) The Federal share with respect to any State shall be 90 per centum of the expenditures incurred by the State during such year under its State program submitted under section 203 and approved as part of the State plan under section 101.

#### STATE PROGRAMS

SEC. 203. As a condition for receiving grants under this Act for the fiscal year ending June 30, 1974, a State must submit within one hundred and eighty days after the date of enactment of this Act an amendment

to its plan submitted to the Commissioner under section 101 or to the Secretary under section 5 of the Vocational Rehabilitation Act which includes a program for provision of comprehensive rehabilitation services to bring about the rehabilitation of handicapped individuals under this title. A State shall also include such a program in its plan under section 101 submitted for each subsequent fiscal year. Such program, in addition to those requirements provided in section 101(a)(6), shall (1) designate the State agency or agencies administering the State plan for vocational rehabilitation as the agency or agencies to administer funds provided under this title; (2) provide that comprehensive rehabilitation services will be provided for the rehabilitation of handicapped individuals only in accordance with the individualized written rehabilitation program required by section 102 and only after the requirements of subsection (c) of such section have been met; (3) describe the quality, scope, and extent of the services being provided; (4) demonstrate that the State has studied and considered a broad variety of means for providing comprehensive rehabilitation services under this title, including but not limited to, regional and community centers, halfway houses, services to homebound and institutionalized individuals, and patient-release programs, where such programs are appropriate and beneficial; (5) be approved or disapproved under the criteria and procedures provided with respect to the State plan submitted under section 101; and (6) conform to such other requirements as the Commissioner by regulation may prescribe.

#### SPECIAL PROJECTS

SEC. 204. From sums appropriated under section 200(b), the Commissioner may retain not to exceed 10 per centum or \$500,000, whichever is smaller, to enable him to make grants to States and public and nonprofit agencies or organizations to pay part of the cost of projects for research and demonstration and training which hold promise of making a substantial contribution to the solution of problems related to the rehabilitation of individuals under this title.

#### DEFINITION

SEC. 205. For the purposes of this title, the term "rehabilitation" means the goal of achieving, through the provision of comprehensive rehabilitation services, substantial improvement in the ability to live independently or function normally with his family or community on the part of a handicapped individual, who, according to a certification under section 102(c), is not then capable of achieving a vocational goal.

#### TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

##### DECLARATION OF PURPOSE

SEC. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities;

(2) authorize grants and contracts to assist in the provision of vocational training services to handicapped individuals;

(3) to insure mortgages covering the construction of certain nonprofit rehabilitation facilities and authorize annual interest grants to help meet the costs of making principal payments in connection with such mortgages, whether so insured or not;

(4) authorize grants for special projects and demonstrations which hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, which experiment with new types or patterns of services or devices for the rehabilitation of handicapped individuals (including opportunities for new careers for handicapped individuals, and for other individuals in programs serving handicapped individuals) and which provide vocational and comprehensive rehabilitation services to handicapped mi-

gratory agricultural workers or seasonal farmworkers;

(5) establish and operate a National Center for Deaf-Blind Youths and Adults;

(6) authorize grants and contracts to establish and operate Rehabilitation Centers for Deaf Individuals;

(7) establish and operate National Centers for Spinal Cord Injuries;

(8) provide services for the treatment of individuals suffering from end-stage renal disease;

(9) authorize grants and contracts to assist in the provision of rehabilitation services to older blind individuals and in the application of new types or patterns of services or devices for the benefit of such individuals;

(10) establish a National Advisory Council on Rehabilitation of Handicapped Individuals to advise the Commissioner and Secretary and conduct reviews with respect to programs carried out under this Act;

(11) establish State Advisory Councils to advise Governors and State agencies in carrying out State plans approved under this Act; and

(12) establish uniform grant and contract requirements for programs assisted under this title and certain other provisions of this Act.

#### GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, initial staffing, and planning assistance, there is authorized to be appropriated \$10,000,000 for the fiscal year ending June 30, 1973; \$10,000,000 for the fiscal year ending June 30, 1974; and \$10,000,000 for the fiscal year ending June 30, 1975. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or initial staffing grants made under this section prior to July 1, 1977.

(b) (1) The Commissioner is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Commissioner under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 313.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 2910(a)), in such State, except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b)(2) of section 645 of such Act (42 U.S.C. 2910(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Commissioner is also authorized to make grants to assist in the initial staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs (determined in accordance with regulations the Commissioner shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such

operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

(d) The Commissioner is also authorized to make grants upon application approved by the State agency designated under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

**VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS**

SEC. 302. (a) For the purpose of making grants and contracts under this section, there is authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1973; \$25,000,000 for the fiscal year ending June 30, 1974; and \$30,000,000 for the fiscal year ending June 30, 1975.

(b) (1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to handicapped individuals, especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2) (A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to individuals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed \$30 plus \$10 for each of the individual's dependents, or \$70, whichever is less. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of training services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Commissioner may make a grant for a project pursuant to this subsection only on his determination that (A) the purpose of such project is to prepare handicapped individuals, especially those with the most severe handicaps, for gainful and suitable employment; (B) the individuals to receive training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of his need for such services; and (D) the project, including the participating rehabilitation facility and the training services provided, meet such other requirements as he may prescribe in regulations for carrying out the purposes of this subsection.

(c) (1) The Commissioner is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the Federal share of the cost of projects to analyze, improve, and increase their professional services

to handicapped individuals, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

**MORTGAGE INSURANCE FOR REHABILITATION FACILITIES**

SEC. 303. (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for handicapped individuals.

(b) For the purpose of this section the terms "mortgage", "mortgagor", "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Commissioner, in consultation with the Secretary of Housing and Urban Development, and subject to the provisions of section 313, is authorized to insure up to 100 per centum of any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon, except that no mortgage of any public agency shall be insured under this section if the interest from such mortgage is exempt from Federal taxation.

(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers construction of a public or nonprofit rehabilitation facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Commissioner, who demonstrates ability successfully to operate one or more programs for handicapped individuals. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed \$100 such stock of interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section), and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the rehabilitation facility, when the proposed improvements are completed and the equipment is installed, but not including any cost covered by grants in aid under this Act or any other Federal Act.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Commissioner finds necessary to meet the mortgage market.

(e) The Commissioner shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Rehabilitation Facilities Insurance Fund

(established by subsection (h) of this section) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Commissioner is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he shall by regulation prescribe.

(g) (1) The Commissioner shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act. The Commissioner may, pursuant to a formal delegation agreement containing regulations prescribed by him, delegate to the Secretary of Housing and Urban Development authority to administer this section and section 304 of this Act in accordance with such delegation agreement.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) and all references in such provisions to "Secretary" shall be deemed to refer to the Commissioner of the Rehabilitation Services Administration with the Department of Health, Education, and Welfare.

(h) (1) There is hereby created a Rehabilitation Facilities Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Rehabilitation Facilities Insurance Fund.

(2) The general expenses of the operations of the Rehabilitation Services Administration relating to mortgages insured under this section may be charged to the Rehabilitation Facilities Insurance Fund.

(3) Moneys in the Rehabilitation Facilities Insurance Fund not needed for the current operations of the Rehabilitation Services Administration with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Rehabilitation Facilities Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisals and other fees received on account of the insurance of any mortgage under this section, the receipts de-

rived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Commissioner in connection therewith, and all earnings as the assets of the fund, shall be credited to the Rehabilitation Facilities Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary, except that the total amount of outstanding mortgages insured shall not exceed \$250,000,000.

ANNUAL INTEREST GRANTS FOR MORTGAGES FOR REHABILITATION FACILITIES

SEC. 304. (a) To assist States and public or nonprofit agencies and organizations to reduce the cost of borrowing from other sources for the construction of rehabilitation facilities, the Commissioner, subject to the provisions of section 313, may make annual interest grants to such agencies.

(b) Annual interest grants under this section with respect to any rehabilitation facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount sufficient to reduce by 4 per centum the net effective interest rate otherwise payable on the loan or to equal one-half of such rate, whichever is the lesser amount: Provided, That the amount on which such grant is based shall be approved by the Commissioner.

(c) (1) There are authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid pursuant to contracts entered into under this section shall not exceed \$1,000,000 with respect to contracts entered into prior to June 30, 1973; \$2,000,000 with respect to contracts entered into prior to June 30, 1974; and \$4,000,000 with respect to contracts entered into prior to June 30, 1975.

(3) Not more than 15 per centum of the funds expended under this section may be used within any one State in any one fiscal year.

SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 305. (a) (1) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there is authorized to be appropriated \$22,500,000 for the fiscal year ending June 30, 1973, \$50,000,000 for the fiscal year ending June 30, 1974, and \$25,000,000 for the fiscal year ending June 30, 1975.

(2) Of the amounts appropriated pursuant to paragraph (1) of this subsection, 10 per centum, but in no event more than \$5,000,000 in the fiscal year ending June 30, 1973, and \$10,000,000 in each subsequent fiscal year shall be available only for the purpose of making grants under subsection (c) of this section, and there is authorized to be appropriated in each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under subsection, an amount of \$5,000,000 to be available for the fiscal year ending June 30, 1973, and \$10,000,000 for each such subsequent fiscal year.

(b) The Commissioner, subject to the provisions of section 313, shall make grants to States and public or nonprofit agencies and organizations for paying part of the cost of special projects and demonstrations (and research and evaluation in connection therewith) (1) for establishing facilities and providing services which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals, especially those with the most severe handicaps, and (2) for applying new types or patterns of services or devices (including opportunities for new careers for handicapped individuals and for other individuals in programs servicing handicapped individuals).

(c) The Commissioner, subject to the provisions of section 313, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational or comprehensive rehabilitation services to handicapped individuals who, as determined in accordance with rules prescribed by the Secretary of Labor, are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other handicapped individuals in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This subsection shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

(d) The Commissioner is authorized to make contracts or jointly financed cooperative arrangements with employers and organizations for the establishment of projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services (determined in accordance with regulations prescribed by the Commissioner) as may be necessary for such individuals to continue to engage in such employment.

(e) (1) The Commissioner is authorized, directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, to provide technical assistance (A) to rehabilitation facilities, and (B) for the purpose of removal of architectural and transportation barriers, to any public or nonprofit agency, institution, organization or facility.

(2) Any such experts or consultants shall, while serving pursuant to such contracts, be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the pro rata pay rate for a person employed as a GS-18, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be

allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 306. (a) For the purpose of establishing and operating a National Center for Deaf-Blind Youths and Adults, there is authorized to be appropriated \$5,000,000 for construction, which shall remain available until expended, and \$500,000 for operation for the fiscal year ending June 30, 1973; \$600,000 for operations for the fiscal year ending June 30, 1974; and \$700,000 for operations for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, and other services, needed to rehabilitate handicapped individuals who are both deaf and blind, and (B) training the professional and allied personnel needed adequately to staff facilities specially designed to provide such services and training to such personnel who have been or will be working with deaf-blind individuals;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating deaf-blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for or help improve public understanding of the problems of deaf-blind individuals;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of a center for vocational rehabilitation of handicapped individuals who are both deaf and blind, which center shall be known as the National Center for Deaf-Blind Youths and Adults.

(c) Any agency or organization desiring to enter into such agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of such Center, and (2) give promise of offering the most substantial skill, experience, and capability in providing a broad program of service, research, training, and related activities in the field of rehabilitation of deaf-blind individuals.

REHABILITATION CENTERS FOR DEAF INDIVIDUALS

SEC. 307. (a) For the purpose of making grants and contracts for the expansion and improvement of vocational or comprehensive rehabilitation services for deaf individuals (through the establishment of centers or other means), there is authorized to be appropriated \$2,000,000 for the fiscal year ending June 30, 1973; \$3,000,000 for the fiscal year ending June 30, 1974; and \$5,000,000 for the fiscal year ending June 30, 1975. Funds appropriated pursuant to this subsection shall remain available until expended.

(b) In order to—

(1) demonstrate methods of (A) providing the specialized services needed to rehabilitate and make maximum use of the vocational potential of deaf individuals, and (B) training the specialized professional and allied personnel required adequately to staff facilities designed to provide such services and training personnel who have been or will be working with such individuals;

(2) conduct research in the nature and prevention of the problems of such deaf individuals and in the rehabilitation of these individuals; and

(3) improve the understanding of the general public, employers in particular, of both the assets and problems of such deaf individuals;

the Commissioner, subject to the provisions of section 313, is authorized to make grants to or contracts with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of one or more centers for the vocational rehabilitation of deaf individuals whose maximum vocational potential has not been achieved, which shall be known as Rehabilitation Centers for Deaf Individuals.

(c) Any agency or organization desiring to receive a grant or enter into a contract under this section shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of a Rehabilitation Center for Deaf Individuals, and (2) give promise of offering the substantial capability in providing a broad program of service and related research, training, and other activities in the field of rehabilitation of deaf individuals whose maximum vocational potential has not been achieved.

(d) For the purposes of this section, the Commissioner shall prescribe regulations to—

(1) provide a means of determining the population of deaf individuals whose maximum vocational potential has not been achieved;

(2) insure that, in carrying out the purposes of this section, provision has been made for coordination between the agency or organization receiving funds under this section on the one hand, and the State and local educational agencies in the area to be served on the other; and

(3) provide that an advisory board, comprised of qualified professional and expert individuals in the fields of rehabilitation and education of deaf individuals, be appointed to assure proper functioning of a Center established under this section in accordance with its stated objectives and to provide assistance in professional, technical, and other related areas; and that at least one-third of the members of such board shall be deaf individuals.

(e) To be eligible to receive vocational or comprehensive rehabilitation services under this section, a deaf individual must be sixteen years of age or older, must have reached the age at which the compulsory school attendance laws of the State in which he resides are no longer applicable to him, and must be an individual whose maximum vocational potential (as defined in regulations which the Commissioner shall prescribe) has not been achieved.

(f) Programs carried out under this section shall be coordinated with programs carried out by the Bureau of Education for the Handicapped within the Office of Education in order to achieve a consistent education and rehabilitation philosophy, to provide for continuity of services and program purpose, and to avoid unnecessary duplication or overlap of programs.

#### NATIONAL CENTERS FOR SPINAL CORD INJURIES

SEC. 308. (a) For the purpose of establishing and operating National Centers for Spinal Cord Injuries, there is authorized to be appropriated \$8,500,000 for the fiscal year ending June 30, 1973; \$25,000,000 for the fiscal year ending June 30, 1974; and \$30,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this section shall remain available until expended.

(b) In order—

(1) to help establish national centers with special competencies in providing

prompt, complete vocational and comprehensive rehabilitation services and acute medical care to individuals with spinal cord injuries;

(2) to assist in meeting the costs of such services to such individuals;

(3) to encourage and assist the study and development of methods for the provision of such services and, where appropriate and desirable, to carry out necessary related research and training; and

(4) to develop new methods of achieving cooperation with and among community and other public and nonprofit organizations concerned with the problems of spinal cord injury;

the Commissioner, subject to the provisions of section 313, is authorized to enter into an agreement with any public or nonprofit agency or organization to pay all or part of the costs of the establishment and operation, including construction and equipment, of centers to carry out the purposes of this subsection, which centers shall be known as National Centers for Spinal Cord Injuries.

(c) Any agency or organization desiring to enter into such an agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Commissioner. In considering such proposals the Commissioner shall provide an opportunity for submission of comments by the State agency administering the State plan under section 101, and shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of National Centers for Spinal Cord Injuries, and which include provisions to—

(A) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational and comprehensive rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries including, but not limited to, acute medical care and periodic inpatient or outpatient followup;

(B) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(C) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries;

(D) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities;

and (2) give promise of offering substantial skill, experience, and capability in providing a comprehensive program of services and related activities in the field of rehabilitation of individuals with spinal cord injuries.

#### GRANTS FOR SERVICES FOR END-STAGE RENAL DISEASE

SEC. 309. (a) For the purpose of providing services under this section for the treatment of individuals suffering from end-stage renal disease there is authorized to be appropriated \$8,500,000 for the fiscal year ending June 30, 1973; \$20,000,000 for the fiscal year ending June 30, 1974; and \$25,000,000 for the fiscal year ending June 30, 1975. Funds appropriated under this subsection shall remain available until expended.

(b) From sums available pursuant to subsection (a) of this section for any fiscal year, the Secretary shall make grants to States and public and nonprofit agencies and organizations and agencies for paying part of the cost of projects for providing special services (including transplantation and dialysis), artificial kidneys, and supplies

necessary for the rehabilitation of individuals suffering from end-stage renal disease.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

#### REHABILITATION SERVICES FOR OLDER BLIND INDIVIDUALS

SEC. 310. (a) For the purpose of providing rehabilitation services to older blind individuals, there is authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1973; \$15,000,000 for the fiscal year ending June 30, 1974; and \$30,000,000 for the fiscal year ending June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, as well as other services, needed to rehabilitate older blind individuals, and (B) training the professional and allied personnel needed to provide such services;

(2) to conduct research in the problems of, and ways of meeting the problems of rehabilitating older blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for, and help improve public understanding of, the problems of older blind individuals,

the Commissioner, subject to the provisions of section 313, is authorized to make grants to and contracts with States and public and nonprofit agencies to pay all or part of the costs of projects and demonstrations (1) for providing vocational or comprehensive rehabilitation services to older blind individuals which, in the judgment of the Commissioner, hold promise of expanding or otherwise improving such services, and (2) for applying new types or patterns of such services or devices to, or for the benefit of, older blind individuals.

(c) For the purpose of this section, the term "older blind individuals" means individuals, age fifty-five and older, whose severe visual impairment makes gainful employment less readily attainable in the light of current employment practices.

#### NATIONAL ADVISORY COUNCIL ON REHABILITATION OF HANDICAPPED INDIVIDUALS

SEC. 311. (a) There is established in the Department of Health, Education, and Welfare a National Advisory Council on Rehabilitation of Handicapped Individuals (hereinafter referred to in this section as the "Council") consisting of twenty members appointed by the Commissioners without regard to civil service laws shall be from among persons who are leaders in fields concerned with rehabilitation or in public affairs, and ten of such twenty shall be selected from among leading medical, educational, or scientific authorities with outstanding qualifications in the rehabilitation of handicapped individuals. Eight of such twenty members shall be persons who are themselves handicapped or who have received vocational rehabilitation services. Each such member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term and except that, of the members first appointed, five shall hold office for a term of two years, and five shall hold office for a term of one year, as designated by the Commissioner at the time of appointment. None of such members shall be eligible for reappointment until a year has elapsed after the end of his preceding term. The Council shall meet not less than four times a year at the call of the Chairman, who shall be selected from among its membership by the members.

## (b) The Council shall—

(1) provide policy advice and consultation to the Secretary and the Commissioner on the planning (including determinations of priorities), conduct, and review of programs (including research and training) authorized under this Act;

(2) review the administration and operation of vocational rehabilitation (including research and training) programs under this Act, including the effectiveness of such programs in meeting the purposes for which they are established and operated and the integration of research and training activities with service program goals and priorities, make recommendations with respect thereto, and make annual reports of its findings and recommendations (including recommendations for changes in the provisions of this Act) to the Secretary and the Commissioner for annual transmittal to the Congress;

(3) advise the Secretary and the Commissioner with respect to the conduct of independent evaluations of programs (including research and training) carried out under this Act; and

(4) provide such other advisory services as the Secretary and the Commissioner may request.

(c) (1) Adequate technical assistance and support staff for the Council shall be provided from the Office for the Handicapped, the Rehabilitation Services Administration, or from any other Federal agency, as the Council may reasonably request.

(2) There is authorized to be appropriated for the purpose of carrying out this section \$50,000 for the fiscal year ending June 30, 1973, \$100,000 for the fiscal year ending June 30, 1974, and \$150,000 for the fiscal year ending June 30, 1975.

(d) The Council shall review the possible duplication among vocational rehabilitation programs and other programs serving handicapped individuals within the same geographical areas and shall make annual reports of the extent to which unnecessary duplication or overlap exists, together with its findings and recommendations, concurrently to the Commissioner and the Congress. In making these reports, the Council shall seek the opinions of persons familiar with vocational rehabilitation and the employment of persons who have received vocational and comprehensive rehabilitation services in each State as well as persons familiar with labor, business and industry, education and training, health, and manpower programs.

(e) Members of the Council, while attending meetings or conferences thereof, or otherwise serving on business of the Council, or at the request of the Commissioner, shall be entitled to receive compensation at rates fixed by the Commissioner, but not exceeding the daily pay rate for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

## STATE ADVISORY COUNCILS

SEC. 312. (a) For the purpose of establishing State Advisory Councils, there is authorized to be appropriated \$150,000 for the fiscal year ending June 30, 1973, \$500,000 for the fiscal year ending June 30, 1974, and \$750,000 for the fiscal year ending June 30, 1975.

(b) Any State which receives assistance under this Act may establish and maintain a State Advisory Council, which shall be appointed by the Governor, or, in the case of a State in which members of the State board which governs vocational rehabilitation are elected (including election by the State legislature), by such board.

(c) (1) Such a State Advisory Council shall include as members persons who are familiar with problems of vocational rehabilitation in the State and the administration of vocational rehabilitation programs, and who are experienced in the education and training of handicapped individuals; persons who are representative of labor and management, including persons who have knowledge of the employment of persons who have received vocational rehabilitation services and of the employment of handicapped individuals; and individuals who are handicapped and who are receiving or who have received vocational rehabilitation services and who shall constitute a majority of the total membership of the State Advisory Council.

(2) Such a State Advisory Council, in accordance with regulations prescribed by the Commissioner, shall—

(A) advise the Governor and the State agency on the development of, and policy matters arising in, the administration of the State plan approved pursuant to section 101;

(B) advise with respect to long-range planning and studies to evaluate vocational rehabilitation programs, services, and activities assisted under this Act; and

(C) prepare and submit to the Governor through the State agency having authority over vocational rehabilitation programs, and to the National Advisory Council on Rehabilitation of Handicapped Individuals established pursuant to section 311, an annual report of its recommendations, accompanied by such additional comments of the State agency as that agency deems appropriate.

(d) Upon the appointment of any such Advisory Council the appointing authority under subsection (b) of this section shall inform the Commissioner of the establishment of, and membership of, its State Advisory Council. The Commissioner shall, upon receiving such information, certify that each such council is in compliance with the membership requirements set forth in subsection (b) (1) of this section.

(e) Each such State Advisory Council shall meet within thirty days after certification has been accepted by the Commissioner under subsection (d) of this section and select from among its membership a chairman. The time, place, and manner of subsequent meetings shall be provided by the rules of the State Advisory Council, except that such rules must provide that each such council meet at least four times each year, including at least one public meeting at which the public is given the opportunity to express views concerning vocational rehabilitation.

(f) Each such State Advisory Council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions under this section.

## GENERAL GRANT AND CONTRACT REQUIREMENTS

SEC. 313. (a) The provisions of this section shall apply to all projects (including annual interest grants) approved and assisted under this title. The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under sections 302, 309, 311, and 312.

(b) To be approved, an application for assistance for the construction project under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project

is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which he shall summarize and comment upon in the annual report to the Congress submitted under section 504;

(4) be accompanied or supplemented by plans and specifications in which the consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90-480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5); and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefore, the amount of such grant or contract determined under this title. In case an amendment to an approval application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

(f) A project for construction of a rehabilitation facility which is primarily a workshop may, where approved by the Commissioner as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with

the rehabilitation of handicapped individuals.

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to handicapped individuals or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

(j) With respect to any obligation issued by or on behalf of any public agency for which the issuer has elected to receive the benefits of mortgage insurance under section 303 or annual interest grants under section 304, the interest paid on such obligations and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

#### TITLE IV—RESEARCH AND TRAINING

##### DECLARATION OF PURPOSE

SEC. 400. The purpose of this title is to authorize Federal assistance to State and public or nonprofit agencies and organizations to—

(a) plan and conduct research, demonstrations, and related activities in the rehabilitation of handicapped individuals, and

(b) plan and conduct courses of training and related activities designed to provide increased numbers of trained rehabilitation personnel, to increase the levels of skills of such personnel, and to develop improved methods of providing such training.

##### AUTHORIZATION OF APPROPRIATIONS

SEC. 401. (a) In order to make grants and contracts to carry out the purposes of this title, there is authorized to be appropriated:

(1) For the purpose of carrying out section 402 of this title \$40,000,000 for the fiscal year ending June 30, 1973, \$75,000,000 for the fiscal year ending June 30, 1974, and \$100,000,000 for the fiscal year ending June 30, 1975, of which 15 per centum in the fiscal year ending June 30, 1973, and 25 per centum in the two succeeding fiscal years shall be available for the purpose of carrying out activities under section 402(b)(2).

(2) For the purpose of carrying out section 403 of this title \$32,500,000 for the fiscal year ending June 30, 1973, \$50,000,000 for the fiscal year ending June 30, 1974, and \$75,000,000 for the fiscal year ending June 30, 1975.

(b) Funds appropriated under this title shall remain available until expended.

##### RESEARCH

SEC. 402. (a) The Commissioner is authorized to make grants and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational and comprehensive rehabilitation services to handicapped individuals, especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques; studies and analyses of industrial, vocational, social, psychological, economic, and other factors affecting rehabilitation of handicapped individuals; special problems of homebound and institutionalized individuals; studies and analyses of architectural

and engineering design adapted to meet the special needs of handicapped individuals; and related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of handicapped individuals and individuals with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Commissioner is authorized to make grants to pay part or all of the cost of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of providing coordinated and advanced programs of research in rehabilitation and training of rehabilitation research personnel, including, but not limited to, graduate training. Grants may include funds for services rendered by such a center to handicapped individuals in connection with such research and training centers.

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of handicapped individuals and for reducing environmental barriers, and to (B) cooperate with the Office for the Handicapped and State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of handicapped individuals.

(3) Conduct of a program for spinal cord injury research in support of the National Centers for Spinal Cord Injuries established pursuant to section 308 which will (A) insure dissemination of research findings among all such centers, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigators.

(4) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of handicapped individuals in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of handicapped individuals, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of handicapped individuals with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(c) The provisions of section 313 shall apply to assistance provided under this section, unless the context indicates to the contrary.

##### TRAINING

SEC. 403. (a) The Commissioner is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for training, traineeships, and related activities designed to assist in increasing the numbers of personnel trained in providing vocational and comprehensive

rehabilitation services to handicapped individuals and in performing other functions necessary to the development of such services.

(b) In making such grants or contracts, funds made available for any year will be utilized to provide a balanced program of assistance to meet the medical, vocational, and other personnel training needs of both public and private rehabilitation programs and institutions, to include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in services to the blind and the deaf, recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of handicapped individuals, including homebound and institutionalized individuals and handicapped individuals with limited English-speaking ability. No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.

##### REPORTS

SEC. 404. There shall be included in the annual report to the Congress required by section 504 a full report on the research and training activities carried out under this title and the extent to which such research and training has contributed directly to the development of methods, procedures, devices, and trained personnel to assist in the provision of vocational or comprehensive rehabilitation services to handicapped individuals and those with the most severe handicaps under this Act.

#### TITLE V—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

##### ADMINISTRATION

SEC. 500. (a) In carrying out his duties under this Act, the Commissioner shall—

(1) cooperate with, and render technical assistance (directly or by grant or contract) to States in matters relating to the rehabilitation of handicapped individuals;

(2) provide short-term training and instruction in technical matters relating to vocational and comprehensive rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of four years, and such training, instruction, fellowships, and traineeships may be in the fields of rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, prosthetics and orthotics, recreation for ill and handicapped individuals, and other specialized fields contributing to the rehabilitation of handicapped individuals; and

(3) disseminate information relating to vocational and comprehensive rehabilitation services, and otherwise promote the cause of the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment.

(b) The Secretary is authorized to make rules and regulations governing the administration of this title and titles VI and VI of this Act, and to delegate to any officer or employee of the United States such of his powers and duties under such title, except the making of rules and regulations, as he finds necessary to carry out the provisions of such titles. Such rules and regulations, as well as those prescribed by the

Commissioner of the Rehabilitation Services Administration under titles I, II, III, and IV of this Act shall be published in the Federal Register, on at least an interim basis, no later than ninety days after the date of enactment of this Act.

(c) The Secretary is authorized (directly or by grants or contracts) to conduct studies, investigations, and evaluation of the programs authorized by this Act, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, their utilization in gainful and suitable employment, and with respect to architectural, transportation, and other environmental and attitudinal barriers to their rehabilitation, including the problems of homebound, institutionalized, and older blind individuals.

(d) There is authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this Act.

(e) In carrying out their duties under this Act, the Secretary and the Commissioner, respectively, shall insure the maximum coordination and consultation, at both national and local levels, with the Administrator of Veterans' Affairs and his designees with respect to programs for and relating to the rehabilitation of disabled veterans carried out under title 38, United States Code.

(f) With respect to the administration of the program authorized by section 309, the Secretary shall insure that the provision of services under such section is coordinated with similar services provided or paid for under health programs pursuant to other Federal laws.

#### PROGRAM AND PROJECT EVALUATION

SEC. 501. (a) (1) The Secretary shall measure and evaluate the impact of all programs authorized by this Act, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(2) In carrying out his responsibilities under this subsection, the Secretary, in the case of research, demonstrations, and related activities carried out under section 402, shall, after taking into consideration the views of State agencies designated pursuant to section 101, on an annual basis—

(A) reassess priorities to which such activities should be directed; and

(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities by subsection (a) of such section 402, whether and on what basis such activities should be continued, revised or terminated.

(3) The Secretary shall, within twelve months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

(b) Effective after June 30, 1973, before funds for the programs and projects covered by this Act are released, the Secretary shall develop and publish general standards for evaluation of the program and project effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding, in accordance with procedures set forth in subsections (b), (c), and (d) of sec-

tion 101, whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 504 shall describe the actions taken as a result of these evaluations.

(c) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness no later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

#### OBTAINING INFORMATION FROM FEDERAL AGENCIES

SEC. 502. Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch of the Government.

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 503. There is authorized to be appropriated such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 per centum of the funds appropriated under titles I, II, III, and IV of this Act or \$1,000,000 for the fiscal year ending June 30, 1973, \$1,000,000 for the fiscal year ending June 30, 1974, and \$1,500,000 for the fiscal year ending June 30, 1975, whichever is greater, to be available to conduct program and project evaluations as required by this title.

#### REPORTS

SEC. 504. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act. Such annual reports shall include (1) statistical data reflecting, with the maximum feasible detail, vocational and comprehensive rehabilitation services provided handicapped individuals during the preceding fiscal year, (2) specifically distinguish among rehabilitation closures attributable to physical restoration, placement in competitive employment, extended or terminal employment in a sheltered workshop or rehabilitation facility, employment as a homemaker or unpaid family worker, and provision of comprehensive rehabilitation services, and (3) include a detailed evaluation of services provided with assistance under title I of this Act to those with the most severe handicaps and of comprehensive rehabilitation services provided pursuant to title II of this Act.

#### SHeltered WORKSHOP STUDY

SEC. 505. (a) The Secretary shall conduct an original study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops. The study shall incorporate guidelines which are consistent with criteria provided in resolutions adopted by the Committee on Labor and Public Welfare of the United States Senate or the Committee on Education and Labor of the United States House of Representatives, or both.

(b) The study shall include site visits to sheltered workshops, interviews with handicapped trainees or clients, and consultations with interested individuals and groups and State agencies designated pursuant to section 101.

(c) Any contracts awarded for the purpose of carrying out all or part of this study shall not be made with individuals or groups with a financial or other direct interest in sheltered workshops.

(d) The Secretary shall report to the Congress his findings and recommendations with respect to such study within twenty-four months after the date of enactment of this Act.

#### TITLE VI—OFFICE FOR THE HANDICAPPED

##### ESTABLISHMENT OF OFFICE

SEC. 600. There is established within the Office of the Secretary in the Department of Health, Education, and Welfare an Office for the Handicapped (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director, who shall serve as a Special Assistant to the Secretary and shall report directly to him, and shall be provided such personnel as are necessary to carry out the functions set forth in section 601. In selecting personnel to fill all positions in the Office, the Secretary shall give special emphasis to qualified handicapped individuals.

##### FUNCTION OF OFFICE

SEC. 601. It shall be the function of the Office, with the assistance of agencies within the Department, other departments and agencies within the Federal Government, handicapped individuals, and public and private agencies and organizations, to—

(1) prepare and submit to the Secretary, for submission to the Congress within 18 months after the date of enactment of this Act, a long-range projection for the provision of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals;

(2) analyze on a continuing basis and submit to the Secretary, for inclusion in his report submitted under section 504, a report on the results of such analysis, program operation to determine consistency with applicable provisions of law, progress toward meeting the goals and priorities set forth in the projection required under clause (1), the effectiveness of all programs providing services to handicapped individuals, and the elimination of unnecessary duplication and overlap in such programs under the jurisdiction of the Secretary;

(3) encourage coordinated and cooperative planning designed to produce maximum effectiveness, sensitivity, and continuity in the provision of services for handicapped individuals by all programs under the jurisdiction of the Secretary;

(4) provide assistance (including staff assistance) to the National Advisory Council on Rehabilitation of the Handicapped established by section 311 of this Act, the National Advisory Council on the Education of the Handicapped established by section 604 of the Education of the Handicapped Act (title VI, Public Law 91-230), and other committees advising the Secretary on programs for handicapped individuals;

(5) develop means of promoting the prompt utilization of engineering and other scientific research to assist in solving problems in education (including promotion of the development of curriculums stressing barrier free design and the adoption of such curriculums by schools of architecture, design, and engineering), health, employment, rehabilitation, architectural and transportation barriers, and other areas so as to bring about the full integration of handicapped individuals into all aspects of society;

(6) provide a central clearinghouse for information and resource availability for handicapped individuals through (A) the evaluation of systems within the Department of Health, Education, and Welfare, other departments and agencies of the Federal Government, public and private agencies and organizations, and other sources, which provide

(i) information and data regarding the location, provision, and availability of services and programs for handicapped individuals, regarding research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and regarding the current numbers of handicapped individuals and their needs, and (ii) any other such relevant information and data which the Office deems necessary; and (B) utilizing the results of such evaluation and existing information systems, the development within such Department of a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide general and specific information regarding the information and data referred to in subclause (A) of this clause to the Congress, public and private agencies and organizations, handicapped individuals and their families, professionals in fields serving such individuals, and the general public; and

(7) carry out such additional advisory functions and responsibilities, consistent with the provisions of this title, as may be assigned to it by the Secretary or the President, except that such function or any other function carried out under clauses (1) through (5) of this section shall not include budgetary, policy, or program control by the Office over any program.

#### AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There is authorized to be appropriated for the carrying out the purposes of this title, \$1,000,000 for the fiscal year ending June 30, 1973, \$1,500,000 for the fiscal year ending June 30, 1974, and \$2,000,000 for the fiscal year ending June 30, 1975.

#### TITLE VII—MISCELLANEOUS EFFECT ON EXISTING LAWS

SEC. 700. The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1972. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under the Vocational Rehabilitation Act will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

#### FEDERAL INTERAGENCY COMMITTEE ON HANDICAPPED EMPLOYEES

SEC. 701. (a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, the Secretaries of Labor and Health, Education, and Welfare, and the heads of such other Federal departments and agencies as the President may designate. The Chairman of the President's Committee on Employment of the Handicapped and the Chairman of the President's Committee on Mental Retardation shall serve as ex officio members of the Interagency Committee, and the Secretary of Health, Education, and Welfare shall serve as Chairman, and the Chairman of the Civil Service Commission shall serve as Vice-Chairman, of the Committee. The resources of such President's Committees shall be made fully available to the Committee established pursuant to this section. The Commissioner shall serve as Executive Director of the Committee. It shall be the purpose and function of the Committee to insure, through the establishment of affirmative action programs, the adequacy of

hiring, placement, and advancement practices with respect to handicapped individuals, by each department, agency, and instrumentality in the executive branch of Government, and that the special needs of such individuals are being met.

(b) Each department, agency, and instrumentality in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met.

(c) The Committee shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Committee shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation or other appropriate action to insure the adequacy of such practices. Such report shall also include a description of the effectiveness of the Committee's activities under subsection (c) of this section.

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(f) (1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) There are authorized to be appropriated for salaries and expenses of the President's Committee on Employment of the Handicapped \$1,250,000 for the fiscal year ending June 30, 1974. In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified handicapped individuals.

#### NATIONAL COMMISSION ON TRANSPORTATION AND HOUSING FOR HANDICAPPED INDIVIDUALS

SEC. 702. (a) There is established in the Department of Health, Education, and Welfare a National Commission on Transportation and Housing for Handicapped Individuals, consisting of the Secretary of Health, Education, and Welfare (or his designee), who shall be Chairman, the Secretary of Housing and Urban Development, the Secretary of Transportation and the Secretary of the Treasury (or their respective designees), and not more than fifteen members appointed by the Secretary of Health, Education, and Welfare without regard to the civil service laws. The fifteen appointed members shall be representative of the general public, of handicapped individuals, and of private and professional groups

having an interest in, and able to contribute to, the solution of the transportation and housing problems which impede the rehabilitation of handicapped individuals.

(b) The Commission, in consultation with the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, shall (1) (A) determine how and to what extent transportation barriers impede the mobility of handicapped individuals and consider ways in which travel expenses in connection with transportation to and from work for handicapped individuals can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of handicapped individuals; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new and expanded transportation systems and (B) to make housing available and accessible to handicapped individuals or to meet sheltered housing needs; and (3) prepare plans and proposals for such further action as may be necessary to the goals of adequate transportation and housing for handicapped individuals, including proposals for bringing together in a cooperative effort, agencies, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(c) The Commission is authorized to appoint such special advisory and technical experts and consultants, and to establish such committees, as may be useful in carrying out its functions, to make studies, and to contract for studies or demonstrations to assist it in performing its functions. The Secretary shall make available to the Commission such technical, administrative, and other assistance as it may require to carry out its functions.

(d) Appointed members of the Commission and special advisory and technical experts and consultants appointed pursuant to subsection (c) shall, while attending meetings or conferences thereof or otherwise serving on business of the Commission, be entitled to receive compensation at rates fixed by the Secretary, but exceeding the not daily pay rate, for a person employed as a GS-18 under section 5332 of title 5, United States Code, including traveltime and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(e) The Commission shall prepare two final reports of its activities. One such report shall be on its activities in the field of transportation carriers of handicapped individuals, and the other such report shall be on its activities in the field of the housing needs of handicapped individuals. The Commission shall, prior to January 1, 1975, submit each such report, together with its recommendations for further carrying out the purposes of this section, to the Secretary for transmittal by him, together with his recommendations, to the President and the Congress. The Commission shall also prepare for such submission an interim report of its activities in each such field within eighteen months after the date of enactment of this Act and such additional interim reports as the Secretary may request.

(f) The Commission shall on a frequent and continuing basis, provide to the Architectural and Transportation Barriers Compliance Board established pursuant to section 703, such data and information as it

has acquired or developed during the course of its investigations and studies and such reports as it has submitted under subsection (e) of this section. Such Board shall also provide to the Commission such data and information acquired by it as the Commission may reasonably request.

**ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD**

SEC. 703. (a) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed of the heads of each of the following departments or agencies (or their designees whose positions are Executive Level IV or higher):

- (1) Department of Health, Education, and Welfare;
- (2) Department of Transportation;
- (3) Department of Housing and Urban Development;
- (4) Department of Labor;
- (5) Department of the Interior;
- (6) General Services Administration;
- (7) United States Postal Service; and
- (8) Veterans' Administration.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed by the General Services Administration, the Department of Defense, and the Department of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968 (Public Law 90-480), as amended by the Act of March 5, 1970 (Public Law 91-205); (2) investigate and examine alternative approaches to the architectural, transportation, and attitudinal barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make reports to the President and to Congress, which shall describe in detail the results of its investigations under clauses (2) and (3) of this subsection; and (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable to eliminate the barriers described in clause (2) of this subsection.

(c) In carrying out its functions under this section, the Board shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Acts cited in subsection (b). The provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review.

(d) The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(e) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this

section, and the Board may appoint, under the terms and conditions specified in subsection (d) of section 702, such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section.

(f) The Board shall, at the end of each fiscal year, report its activities during the preceding year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (4) and (5) of subsection (b) of this section.

(g) There is authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section \$500,000 for the fiscal year ending June 30, 1973; \$1,500,000 for the fiscal year ending June 30, 1974; and \$1,500,000 for the fiscal year ending June 30, 1975.

**EMPLOYMENT UNDER FEDERAL CONTRACTS**

SEC. 704. (a) Any contract in excess of \$2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction) for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7 (7). The provisions of this section shall apply to any subcontract in excess of \$2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereon as the facts and circumstances warrant consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which he shall prescribe, when he determines that special circumstances in the national interest so require and states in writing his reasons for such determination.

**NONDISCRIMINATION UNDER FEDERAL GRANTS**

SEC. 705. No otherwise qualified handicapped individual in the United States, as defined in section 7(7), shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

**APPROPRIATIONS FOR FISCAL YEAR 1973**

SEC. 706. The paragraph entitled "Social and Rehabilitation Services" of Chapter IV of the Supplemental Appropriations Act, 1973 (Public Law 92-607) is amended by striking out "section 103" and inserting in lieu thereof "section 110" each place it appears and striking out "section 104" and inserting in lieu thereof "section 120".

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendment to the House amendment be

dispensed with and that it be printed in the RECORD.

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

There was no objection.

Mr. DU PONT. Mr. Speaker, before we vote on H.R. 17, the Vocational Rehabilitation Act of 1973, I want to express my deep disappointment in the so-called technical modifications made by the other body in their passage of H.R. 17. I refer to their deletion of an amendment which I offered and which was subsequently adopted to section 111(a) of the bill last Wednesday. As my colleagues may recall, the amendment was offered to clarify the intent of the authors of the bill by providing that small states would receive a minimum allocation of \$2 million regardless of the given appropriation level. As the committee report noted a certain minimal level of funding is necessary to sustain a program regardless of the size of State involved. Without such a safeguard, a proportionate decrease for all States could deny the smaller States the critical amount of funds necessary to sustain a viable vocational rehabilitation program.

In the other body, however, the larger States prevailed and this clarifying language was deleted, leaving in doubt the question whether the small States will be entitled to receive the minimum of \$2 million—a sum which this House has already found to be the absolute minimum required to maintain a sound program. I am disappointed by this action, for I think that small States may be denied the right to receive a sufficient allocation of funds.

I am also particularly dismayed that this same coalition of larger States could delete this language accepted unanimously by the House and still avoid a conference. This procedural shortcut has allowed the other body to thwart the will of this House without coming to the conference table to justify their actions.

Perhaps the only positive element which emerges from the other body's deliberations on H.R. 17 is an apparent agreement to fully review the formula allocation before the next renewal of the legislation. This is a minimum first step, and in the future, I hope both bodies will work together to see that small States are guaranteed the minimum levels required to support a vocational rehabilitation program.

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

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I am delighted to be able to report to this body that after extensive negotiations between the Committee on Labor and Public Welfare of the other body and the Committee on Education and Labor on S. 7, the Rehabilitation Act of 1972, we have reached a consensus which is embodied in the Senate substitute amendment for the House amendment passed by this body last Thursday.

Mr. Speaker, I am extremely grateful for the efforts of all the principals on the committee who have cooperated in bringing this matter to a successful resolution.

In particular, Mr. Speaker, I would like to thank the chairman of the Education and Labor Committee, the gentleman from Kentucky (Mr. PERKINS), and the ranking minority member of the Committee on Education and Labor, Mr. QUIE, and the other members of the committee for their efforts.

I would also like to take this opportunity to thank the Members of the other body for their leadership in this legislation, Senator CRANSTON, Senator RANDOLPH, Senator WILLIAMS, Senator JAVIERS, and Senator STAFFORD.

Mr. Speaker, at this point, I would like to make these observations:

The bill before us is basically the same as that passed by the House on Thursday, with these specific changes.

#### AUTHORIZATIONS

The appropriation authorization level in the compromise for the 3 years are lower than the comparable totals in the House amendment.

Specifically for fiscal year 1973, the total authorization is \$913.2 million which is identical to the House amendment figure.

For fiscal year 1974 the compromise contains a total authorization of appropriation of \$1,166,450,000 which is \$11.8 million lower than the House amendment.

For fiscal year 1975 the total authorization figure of \$414,600,000 is \$18.25 million lower than the figure in the House amendment.

Thus, Mr. Speaker, I think it is clear that the Senate has gone more than half way to reach an accord with the House and to respond to the fiscal concerns expressed by the President.

#### CONTRACT DOLLAR MINIMUM AND WAIVER PROVISION IN EMPLOYMENT UNDER FEDERAL CONTRACT PROVISION

Mr. Speaker, two additional amendments agreed to on the House floor in section 704 of the bill, provided for an affirmative action program in the Federal Government for the employment and advancement in employment of qualified handicapped individuals under Federal contracts and subcontracts. The first amendment limited the affirmative action responsibility to contracts of more than \$10,000. This was a provision recommended by the General Services Administration. However, since the most recent issuance of comparable Federal regulations—by the Department of Labor, which is also made responsible under S. 7 for the section 704 program—set the cutoff at \$2,500.

We agreed to a minimum dollar figure of \$2,500.

Second, Mr. Speaker, this provision was amended by the House to provide for a written waiver of its application by an agency head. The House accepted in negotiating with the Senate a waiver provision permitting the President to make a waiver with respect to a contract or subcontract, or a portion of jobs thereunder, in accordance with specifically published guidelines established by him and upon the explicit determination that "special circumstances in the national interest so require" and his stating in writing the reasons for that determination.

#### SHORT TITLE OF THE BILL: REHABILITATION ACT OF 1972

Mr. Speaker, the House has agreed to keep the reference to 1972 in the short title of the bill and accepted the Senate section 706 to correct certain miscitations to the provisions of this act in the Supplemental Appropriations Act, 1973—Public Law 92-607.

Our very strong mutual intent, Mr. Speaker, is to insure that enactment of S. 7 will remove any legal obstacle—real or imagined—to HEW releasing of the \$50 million—above the continuing resolution figure of fiscal year 1972 expenditures—appropriated in Public Law 92-607 for the vocational rehabilitation program.

Mr. Speaker, I think we have a good bill. It is a bill which will serve the very needy and deserving handicapped individuals in our country. I urge adoption of the bill S. 7.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 7 and amendments thereto.

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

There was no objection.

#### LEGISLATIVE PROGRAM

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

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of asking the distinguished majority leader the program for the remainder of this week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the distinguished gentleman from Massachusetts.

Mr. O'NEILL. I am happy to respond to the minority leader.

There is no further business for today.

The program for next week is as follows:

Monday is Consent Calendar day and there are no bills; and there are no bills scheduled under suspensions.

Tuesday is Private Calendar day, and there are no bills; and no bills scheduled under suspensions.

There will be considered 19 committee funding resolutions from the Committee on House Administration.

On Wednesday there will be considered H.R. 5446, the Solid Waste Disposal Act, subject to a rule being granted.

On Thursday there will be considered H.R. 5445, the Clean Air Act, subject to a rule being granted.

Also on Thursday there will be five committee funding resolutions from the Committee on House Administration.

Conference reports may be brought up at any time, and any further program will be announced later.

#### ADJOURNMENT OVER TO MONDAY, MARCH 19, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

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

There was no objection.

#### UNITED STATES FACES ENERGY PROBLEMS

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

Mr. BEVILL. Mr. Speaker, providing enough energy for our Nation is becoming more and more difficult. In an effort to better understand the problem, I request permission to place in the RECORD a joint statement of the American Gas Association, American Petroleum Institute, Atomic Industrial Forum, Inc., Edison Electric Institute, and National Coal Association.

The statement follows:

#### TOWARD RESPONSIBLE ENERGY POLICIES

##### PREFACE

The United States is facing a critical energy problem. The supply of secure and environmentally-acceptable energy will not be adequate to meet prospective demand unless there is a change in the economic and political climate affecting the energy industries.

The few brief local interruptions of energy supplies in the past few years, and the restrictions on sales of natural gas now in effect in a number of states throughout the nation, are only a taste of what may lie ahead a few years from now.

Energy problems must be placed high on the list of our national priorities. Time is of the essence, since it often takes from five to ten years after a decision is made to develop new fuel sources or to construct electric generating facilities before additional energy supplies can be delivered to consumers. Unless prompt actions are taken, serious energy shortages will spread to all parts of the nation.

The attached joint energy statement, "Toward Responsible Energy Policies," has been prepared to alert the nation to the imminence of a major energy crisis and to recommend constructive actions to avert it. We present this statement with the hope that it will make a contribution towards these goals.

Mr. F. Donald Hart, President American Gas Association; Mr. Frank N. Ikard, President American Petroleum Institute; Mr. Charles Robbins, President Atomic Industrial Forum, Inc.; Mr. W. Donham Crawford, President Edison Electric Institute; and Mr. Carl E. Bagge, President National Coal Association.

## TOWARD RESPONSIBLE ENERGY POLICIES

The United States is faced with a growing energy problem which has the potential of developing into a major national crisis. Public awareness of this is vital to its resolution.

The symptoms of difficulty first appeared in the 1960's, although they were largely obscured by an economic slowdown. It became increasingly apparent that we were living on our basic fuel reserves. Fuel additions were not matching fuel consumption, a warning that our energy economy was shifting from one of abundance to one of scarcity. The nation, and particularly the Eastern Seaboard, became more and more dependent upon imports of foreign oil. Natural gas service curtailments began to take place in scattered locations around the country.

Today, natural gas curtailments are becoming more widespread. Domestic oil production from presently proved reserves in the lower 48 states is at maximum levels and excess capacity has disappeared. Demands for low-sulfur fuel oil and low-sulfur coal cannot be met. The energy problem is continuing to worsen, to the point that the nation is on a collision course with a major energy shortage.

## Energy—the key to progress

The history of the U.S. is one of unprecedented and unparalleled growth. No nation yet approaches the industrial strength of the U.S. No society in the history of the world has reached its level of prosperity.

Energy, readily available at reasonable cost, has been a major factor in this progress. A worldwide comparison of per capita energy consumption and real income points out the close correlation between the two. The higher a nation's per capita use of energy, the higher its per capita real income. Conversely, nations with low rates of energy consumption have low positions on the per capita income scale. The reduction of poverty coupled with progress toward satisfying rising economic expectations throughout the world will require vast increases in the supply and utilization of energy.

Because of the long history of abundant energy at low cost in the U.S., the nation has come to believe that a limited supply of cheap energy would always be available. One of the most alarming aspects of the current energy situation is that many Americans do not yet realize there is a problem. Even some of those who are aware that a problem exists do not understand its severity or its dangers. They are unaware of the possible impact of inadequate energy supplies upon their day-to-day activities and life styles.

## The explosive growth in demand

The public demand for energy in the United States is expected to grow rapidly through the end of the century. Based on a 3.6 percent annual growth rate, a recent study by the U.S. Department of the Interior projects almost a tripling of energy consumption by the year 2000.

Although the share of total energy consumption supplied by each fuel may change, the actual amounts of each energy source which will be required to meet these demands will be far in excess of current levels.

## The need for energy growth

One way to conserve energy supplies would be to restrict the growth rate of energy use. This would reduce economic progress. We would fail to achieve our most pressing national goals, including full employment, alleviation of poverty, and protection of our national security. We would have to curtail efforts to clean up our environment, since additional energy will be required to secure needed environmental improvements to treat sewage, to recycle waste, and to remove sulfur from fuels. Little support can be given to the assumption that the nation will

choose "no growth" in the energy sector of our economy during the rest of this century. Although every effort must be made to assure that our natural resources are used wisely, and for the benefit of all segments of our society, we must assume a growing energy requirement.

## The wise use of energy

An effective means of helping to meet the growing energy demands of the American people is to maximize the efficient utilization of energy in our society and minimize the waste of human and fuel resources. Insofar as practicable, we must strive toward maximum efficiency in the production, distribution and utilization of all forms of energy.

## No shortage of resources

The U.S. has sufficient resources to meet its foreseeable energy needs. While the U.S. has become a "have not" nation in terms of usable commercial supplies of fuel, we are still a "have" nation in terms of available resources. Declining reserves of crude oil and natural gas reflect a low level of exploration and development relative to demand, not an exhaustion of these resources. Estimates by government and other informed specialists indicate that potential domestic resources of oil and gas could support substantially higher rates of production. Coal reserves are abundant, and represent a supply of at least several centuries at existing levels of consumption.

Potential uranium supplies for nuclear power are more than adequate, assuming the timely development of breeder reactors. Synthetic oil and gas can be produced from coal. Looking to the longer-run future, liquid fuels can be produced from oil shales and tar sands. There are huge reserves of these minerals in the Western States and Canada.

## The forerunners of shortage

A host of vexing problems, some of long standing and others of recent origin, have led to the current tenuous energy supply situation. High on the list are the delays and costs created by a lack of coordinated government policies. The many Federal departments and agencies which rule on energy matters have suffered from the lack of a coherent policy to follow. Their decisions have been piecemeal and inconsistent, based upon narrow and short-run interpretations of conditions affecting particular fuels at a particular time. The results have been chaotic, and have discouraged the development of badly-needed energy resources.

The rapid introduction of stringent environmental standards has further constricted the nation's fuel supply. All existing energy sources have been affected. Oil from the huge Prudhoe Bay field in Alaska is still unavailable due to the long delay in approval of the trans-Alaska pipeline. This, in turn, is delaying the availability of new gas supplies from that area. Federal offshore leasing delays are affecting supplies of both oil and gas. In some states, bills have either been passed or are pending which seek to bar the search for petroleum off of their coasts, and make it difficult to find suitable sites for terminal facilities and refineries. Sulfur restrictions in major cities have curtailed usage of both domestic coal and fuel oil. In some states and in Congress, there are proposals to bar surface mining. Delays resulting from prolonged Federal regulatory procedures and court-ordered environmental evaluations of about 100 nuclear power facilities have slowed development of this important new energy source.

Government efforts to superimpose its direction as a substitute for market forces have exacerbated energy problems. As an example, regulation of natural gas prices at the wellhead by the Federal Power Commission, resulting in artificially low levels, acted to stimulate demand and discourage the search for new supplies. This imbalance led to a

shortage of this clean-burning fuel, which could assist in reducing air pollution problems in major urban areas. Such government actions often overlook economic and technological interactions and lead to unexpected and undesirable effects.

Imports are playing and will continue to play a role in meeting the nation's fuel needs. It is inevitable that the U.S. will require larger oil and gas imports in the 1970's and early 1980's. However, attention must be given to the implications of rising energy imports and their impact upon the development of domestic supplies as well as upon national security. Most of the proved petroleum reserves of the world are located in the Eastern Hemisphere. Supplies of oil from some of these sources have been curtailed a number of times. Excessive reliance upon imported fuels would pose grave dangers to our economic health and national defense. In addition, with producing nations now banding together to demand higher prices and impose higher taxes, foreign oil is becoming more costly. Imported liquefied natural gas is now more expensive than domestic gas. The nation should also recognize that growing energy demand in the rest of the world will result in increasing competition for fuels in coming decades. Thus, looking to the future, foreign energy supplies are likely to be neither secure nor inexpensive. However, some of the risks inherent in fuel importation can be reduced by importing both oil and gas from a variety of sources.

Energy industries are also faced with huge capital requirements, and to an increasing extent must obtain these funds from financial markets rather than from internal sources. Adequate profitability is needed to attract the capital required for new facilities.

A long-range commitment to research and development in the energy field is needed. Government R&D programs should be closely coordinated with research efforts of the energy industries.

## The importance of time

An all-out effort must be made to strengthen our energy economy. The time to make crucial decisions is now. Continued delay will permit minor shortages and inconveniences to develop into major shortages and serious disruptions. This is because a common characteristic of all significant sources of energy is the long lead time involved in the planning, production, transportation and utilization of our energy problems.

## The objectives of energy policies

There appear to be four main objectives of sound energy policies:

(1) *The development of an adequate supply of energy at reasonable prices, to permit our nation to enjoy continued economic progress and a high living standard.*

(2) *The achievement of relative self-sufficiency through the maximum development and utilization of domestic fuel resources to the extent justified by appropriate economic and national security considerations, supplemented by oil and gas imports as needed.*

(3) *The maintenance of a safe and healthy environment for both present and future generations.* High energy use has provided a high standard of living, but has also been partly responsible for adverse effects upon man's environment. These effects must be squarely faced and met in a balanced and responsible manner.

(4) *The attainment of maximum efficiency in the production, distribution and utilization of all forms of energy.*

There is no real conflict between these goals. By reshaping our energy policies to broaden the energy base, we can provide adequate and secure sources of reasonably-priced energy in harmony with environmental needs. Both nature and the marketplace can be served.

*Elements of responsible energy policies*

The American Gas Association, the American Petroleum Institute, the Atomic Industrial Forum, the Edison Electric Institute and the National Coal Association, recommend the following basic policies in order to assure adequate supplies of secure and clean energy at reasonable prices:

(1) *Comprehensive energy policies must be formulated* to bring about greater coordination and harmony between Federal, state, and local government agencies whose decisions affect energy industries. Government regulation of energy industries, to the extent that it is necessary, should be streamlined in order to adapt more rapidly to the changing needs and requirements of modern society.

(2) *Energy policies should fully recognize the benefits of the free enterprise system and should be formulated within the context of sound business principles.* Energy fuel prices should relate to actual demand and actual market conditions. Policies which stifle initiative in the development of any form of energy are contrary to the public interest.

(3) *A balance must be struck between the need for environmental protection, and the need for economic development (including energy growth).* National environmental policy should give consideration to the availability and cost of pollution control methods and the resulting impact upon energy prices. Costs must be balanced against the resulting social and environmental benefits.

(4) *Incentives for energy development appropriate to the unique characteristics of fuels and minerals should be strengthened.* An attractive economic climate must be developed which will elicit the massive amounts of venture capital needed to develop new supplies of energy fuels.

(5) *National land use policies affecting both private and public lands, including the Outer Continental Shelf, should be coordinated with national energy policies.* Energy production requires land use. Land use policies must recognize the non-renewable nature of fuel resources and the fact that they, unlike many other products, must be produced where found. Federal leasing regulations should permit optimum utilization of all energy resources in harmony with sound ecological principles. Multiple uses of land should be encouraged.

(6) *Sound and stable import policies should be maintained in order to promote the development of indigenous fuel resources and technology* to the extent justified by appropriate economic and national security considerations. While every effort must be made to meet environmental standards, the nation must also make every effort to minimize its dependence for energy upon those foreign sources which could pose problems of possible supply interruptions. In addition, unlimited fuel imports could represent a serious drain upon our balance of payments position. Import policies should be designed to allow the competitive use of overseas supplies of oil and gas in a manner that will supplement, but not supplant, domestic sources of supply. Such policies must recognize the special problems, such as environmental requirements, which may arise in particular industries or regions.

(7) *The long-range governmental commitment to research and development in the energy field must be strengthened, and existing cooperative industry/government efforts in research and development must be augmented.* Parallel development of both fossil and nuclear fuels is essential if our nation is to meet short- and intermediate-term energy needs as well as longer-run needs. Balanced federal funding is needed to develop new technology which will permit the full utilization of our vast domestic fuel reserves. Primary responsibility for research

and development should continue to rest with industry. Government's role should be concentrated mainly in the funding of longer-range programs which do not have an immediate impact, but which do have potential benefits for our nation's consumers of energy.

High priority must be given to projects such as the development of breeder reactors and fusion technology. At the same time, the Federal Government should continue to share with industry the burden of constructing demonstration plants designed to remove sulfur oxides from the stack gases of coal and oil-fired power plants. In addition, more energetic government programs are needed to aid in the development of technology to convert coal to the more environmentally-acceptable gaseous and liquid forms and for utilizing it directly.

There must also be a more active program for conducting the essential research and development of pollution control technology. Government should insure that environmental goals and standards are set with due regard to existing technology and achievable improvements in the state of the art.

(8) *Health and safety regulations should be carefully designed and administered to minimize hazards to workers and the public and maximize operating efficiency.*

(9) *Wise and efficient utilization of all forms of energy should be promoted and encouraged.* Economies in energy consumption can be achieved in homes, transportation, agriculture, business and industry, and government.

(10) *Both industry and government must recognize their obligation to inform the public on energy matters.* Public awareness of the energy situation is a major key to resolving the energy supply situation.

*The consequences of failure*

The responsibility to maintain a supply of energy which is adequate to meet the needs of our people must be shared by industry and government. It can be met if all segments of American society join together to formulate new energy policies which will remove existing roadblocks to progress.

One overriding need is to sweep away pre-conceived ideas concerning energy problems. It must be recognized that the era of energy abundance and cheap fuel has ended. Factors such as environmental costs, rising labor and equipment costs, and the need to attract venture capital, must be reflected in prices. The nation's fuel bill is going to go up. Recognition of these basic changes in the energy situation will contribute to a more responsible appraisal of the energy situation and a more realistic approach to the framing of new policies.

The consequences of failure, either by imprudent actions or inaction, are likely to be severe. The result could be an energy shortfall, which could imperil the nation's economic well-being and cause substantial hardships to our citizens. If sound and timely decisions can be reached on energy policies, such a crisis need never arise.

**ANTIPOISON WEEK**

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

Mr. WHITTEN. Mr. Speaker, the period from March 18 through March 24 this year marks the 13th annual observance of National Poison Prevention Week—a theme to which each of us can profitably subscribe, particularly as we think of the youngsters of this Nation.

The most common medical emergency among children comes not from broken bones, not from traffic accidents, not from burns, not from suffocation, al-

though each of these can bring severe hurt and injury to children and anguish untold to parents. Accidental poisoning—that is the most prevalent and persistent threat to the health and safety of youngsters. The loving mother and housewife need only look inside her medicine cabinet or under her kitchen sink or even into her purse to see how this can be.

Where small children live in homes in which they can find medicines, soaps, and detergents, cosmetics, paints and polishes, there poisonings can result—by accidents that can be prevented if adults simply will take greater care.

The Council on Family Health notes that of a total of 131,051 cases of poisoning reported during 1971 to poison control centers over the country, something like 60 percent involved children under 5 years old. Six out of every 10 cases thus show little people finding trouble because they do not know better than to satisfy their curiosity over objects or materials left within reach by adults who should know better. Simple carelessness is the most common cause of poisoning.

The council, which manufacturers of medicines sponsor as a public service, is urging all parents to lead the way in observing Poison Prevention Week by surveying their homes and removing all potentially toxic substances from the sight and reach of children. And, I might add, this would be a wise project for people in childless homes, too.

In closing, some words of wise advice from Dr. Jay M. Arena, past president of the American Academy of Pediatrics, for parents of small children, especially those between 1 and 3 years old:

Always read the labels on household products and medicines before using them. Never tell a child medicine is just like candy. Never store any potentially toxic substance in a food or beverage container—it can be mistaken for food or drink. Always discard medicines promptly when the symptoms of illness have subsided—flush them down the drain and get rid of the empty container.

**SKYJACKING LEGISLATION AND INTERNATIONAL TERRORISM**

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

Mr. MURPHY of New York. Mr. Speaker, I would like to comment on an aspect of the current skyjacking legislation being considered by the Interstate and Foreign Commerce Committee; the problem of international terrorism.

On February 27, 1973, I testified before the Transportation and Aeronautics Subcommittee of the Interstate and Foreign Commerce Committee on my legislation concerning air piracy. At that time I told the committee of information that had come to my attention concerning the activities of the Black September Group.

A portion of my statement read as follows:

I have just learned from confidential sources that at this very moment the F.A.A. is alerting its security forces that the Black September Group is planning a major opera-

tion to hijack a commercial airliner probably in the United States. Their purpose is to use the seized plane and its kidnapped passengers to free political prisoners held in London, Italy and Austria. Several suitcases containing weapons which were to be used in the plot have already been seized. This information is derived from and disseminated by the national and international system of intelligence that has been established to cope with this problem.

Subsequent to my testimony, the FAA denied repeatedly that a document existed containing the information in my statement. I subsequently requested on March 6, 1973, a second appearance before that committee to present the entire text of the FAA Security Bulletin which is as follows:

**SECURITY BULLETIN**

**Subject:** Black September Organization Hijacking Plans

Information has been received from a reliable source that the Black September Organization (BSO) is planning a hijacking operation for the purpose of releasing Palestinian terrorists held in London, Italy, and Austria. The targeted airline and the time frame for the operation is undetermined at this time. Names of BSO members who reportedly will participate in the operations are as follows:

A. Husayn Abd-Al-Karim Kuhaji carrying Bahrain passport number 72330 issued on 23, November, 71.

B. Salim Bin Abdalia Al-Sayyid carrying Saudi passport number 74 issued on 20, October, 72.

C. Sayyid Salih Lahji carrying Ras-Al-Khaymah passport number 9257 issued 20, October, 72.

D. Salih Bin Ali carrying Saudi Arabian passport number 148 issued on 28, August, 72.

E. Sulayman Bin Abdallah Azzam carrying Somali passport number 3364 issued on 5, September, 72.

The first four names are almost identical with the aliases issued by the BSO terrorists who held officials hostage at the Israeli embassy in Bangkok on 28 December 72. The fifth is probably Abdulla Azzam, Fatali official from Somalia who visited the terrorists in their hotel room in Bangkok prior to the operation. Physical descriptions of the four Bangkok terrorists are as follows:

A. Kuhaji: approximately 30-35 years old, approximately 176-177 pounds, tall, sturdy build, stomach protrudes slightly, dark tan complexion, dark brown hair, neatly cut moustache, thin face, does not talk much, was assessed as possible deputy team leader.

B. Sayyid: approximately 30-35 years old, approximately 178 pounds, tall, sturdy build, stomach protrudes slightly, fair complexion, dark brown hair, no pompadour, oval face, clean shaven, dark brown eyes, speaks good English and was assessed as being team leader.

C. Lahji: approximately 23-24 years old, approximately 175-177 pounds, tall, dark brown hair, no pompadour, brown eyes, lanky build, baby face, his English is poor.

D. Salim Al-Fahri (reported above as Salih Bin-Al) approximately 28 years old, approximately 178 pounds, tall, sturdy, healthy build, blue eyes, heavy thick eyelashes, dark (African or Mexican) complexion dark, naturally curly hair, no pompadour, square face, bearded with long sideburns, claims to have finished four years electrical course in Canada and one year in Australia. Speaks good English. Subject was assessed as explosives expert. He is single and fond of girls.

Two names of the four BSO members who occupied the Embassy are reported to be: Lt. Yasin Muhammad Klim born in Yatta on the West bank; Jamil Shakir Habub born

in Jaffa; Adnan Salih Abushaghura born in Jerusalem; and Sabri Shukni Abutawq born in Nazareth. Two names cannot be matched with aliases.

**FAA comments:**

Numerous reports have been received on Palestinian terrorists moving in and out of Europe. Some of these individuals have been apprehended carrying weapons and terroristic paraphernalia, abandoned suitcases have been found full of weapons and rumors have persisted that a major operation such as a kidnapping, hijacking, assassination, bombing will occur. However, despite these reports, nothing definite has been reported on these terroristic acts except for bombings of facilities, embassies, and letterbombs. Any further information developed on the reported hijacking operation will be forwarded.

JAMES T. MURPHY,

*Director of Air Transportation Security.*

On March 6, 1973, I told the chairman of the Subcommittee on Transportation and Aeronautics that I was firmly convinced that one of the best ways to reduce terrorism in the world is to let the perpetrators know that international law enforcement agencies are aware of their activities. This is the reason I released the information, in the hope that proper preventive measures might be taken.

Yet, within days of my February 27 statement, the tragedy occurred in Khartoum, and, even though the attempted extortion was unsuccessful, this particular terrorist group, the Black September organization, continues to plot further world outrages. In that respect I have received yet another security bulletin that is as ominous as any I have previously seen. The bulletin was dispatched on March 8 by the FAA to the various security agencies, including the director of security of the Air Transport Association. The bulletin reads as follows:

Confirming telephone message the following security bulletin ASE/73/4 received from FAA:

Information has been received from a reliable source that a group of Palestinians plan to either bomb or hijack an Israeli El Al or U.S. airliner. The act to be accomplished in retaliation for shooting down Libyan aircraft over occupied Sinai Peninsula in February 1973. It was reported that terrorists who are to accomplish this act will be disguised as women or priests. Cited activity is expected to take place at some location in Europe. FAA comments the above information is unconfirmed. Palestinians may believe that the recent contact between Golda Meir and President Nixon indicates the U.S. supports shooting down the Libyan airliner by Israel. Any further information developed will be forwarded.

HARRY J. MURPHY,  
*Director of Security.*

Mr. Speaker, I feel these endless threats and continuing acts of violence against innocent people will only be stopped by affirmative action by the United States. I call again for quick enactment of legislation calling on primary and secondary boycotts for commercial air traffic against nations which continue to provide safe havens to groups such as the Black September organization. I urge the Transportation and Aeronautics Subcommittee to make this a provision of any bill that they report. I urge the President of the United States to take such action immediately in order

to prevent what I consider preventable terrorist acts against mankind.

**GI HOME LOAN PROGRAM**

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

Mr. HILLIS. Mr. Speaker, as our thoughts, as a Nation, are directed toward matters of peace I would like to take a few moments to discuss one of our Federal programs that has, in my opinion, contributed immeasurably to America's greatness. The Federal program I am referring to is the GI Home Loan program administered by the Veterans' Administration. The realization of an American dream of owning a home has been made possible for literally millions of American families because Congress in its wisdom many many years ago had the foresight to recognize the potential and importance of assisting veterans to own their own home. As property owners family life has been enhanced and it serves as a very foundation for our American way of life, and as the ranking minority Member on the Housing Subcommittee of the House Veterans' Affairs Committee I have more than a casual interest in its success.

A significant enlargement in the scope of the VA loan guaranty and direct loan activities and an indefinite extension of the life of these activities resulted from the enactment of the Veterans' Housing Act of 1970, Public Law 91-506. This act revived unused expired loan guaranty entitlement of nearly 9 million World War II and Korean conflict veterans; eliminated the one-half percent funding fee required to be paid by post-Korean conflict veterans; authorized the VA to guarantee refinancing loans for eligible veterans on their mortgaged homes; authorized the guaranty of loans to purchase condominium residences; eliminated the January 31, 1975 termination date for the direct loan program; authorized direct VA loans to supplement grants for specially adapted housing even though the home is in an area not otherwise eligible for direct loans; and authorized VA to assist veterans eligible for home loans to acquire mobile homes.

During the 2 years, 1971-72, the volume of GI home loans multiplied rapidly. In January 1971, VA guaranteed 14,400 home loans, or 36.7 percent of Government-backed unsubsidized home mortgages, while 24,800 FHA section 203 loans accounted for 63.3 percent of the total. During the next 23 months, however, VA production climbed to 32,100 in December 1972, 73.2 percent of the total.

Both VA guaranteed loans and FHA section 203 loans are dependent upon private capital to finance the construction or purchase of single family residential units. The properties are similar, and the concentrations of these dwellings generally are located in the same areas.

The cumulative number of home loans now exceeds 8 million amounting to almost \$94 billion in initial principal. Nearly 360,000 home loans, aggregating close to \$8 billion were guaranteed in 1972—the highest annual volume since 1957.

And significantly, at least 180,000 Vietnam veterans bought homes with GI loans, or, almost as many GI loans as all veterans obtained in 1970.

In addition to recognizing this highly successful housing program, I believe it is significant to note that veterans as a group have not only demonstrated that they are responsible citizens by honorable service to this country, but have shown further that they do not take their responsibilities lightly as evidenced by the fact that almost half of the loans obtained by these veterans have already been paid in full and only a nominal percentage have defaulted, many through no fault of their own.

All Members of this House can be justly proud of the achievements of the VA in administering the GI home loan program and in the response of our deserving veterans toward their obligations. We also can be thankful that this is a program which has not been beset by problems and difficulties occasioned by maladministration or questionable practices by private parties in the sale and financing of homes. Most importantly, the GI loan program has many years of productive life ahead, and we can rely upon VA to see that the maximum number of veterans will benefit from it.

#### USDA HOTDOG REGULATIONS

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

Mr. CHAMBERLAIN. Mr. Speaker, as many of my colleagues know, the State of Michigan, with strict meat standards higher than those of many other States, does not allow meat byproducts in hotdogs and other comminuted meat products. Earlier, I again reintroduced H.R. 372 to eliminate the use of stomachs, snouts, spleens, udders, lips, tongues—and various animal offal from such products—with the hope that meat standards throughout the country could catch up with Michigan's higher standards.

Yesterday, the U.S. Department of Agriculture announced its proposed regulations to provide for identification of comminuted meat products; these proposals appear in the Federal Register of March 14.

It would appear, that at this time, the USDA is simply restating their earlier labeling proposals and is recommending that the controversy over what can and cannot go into hotdogs, sausages and other products be resolved simply by labeling the package and leaving the choice to the consumer.

This course of action, I would point out, simply begs the question of whether Michigan should be able to have higher meat standards and virtually insures that all the animal organs that no one would ever knowingly buy, let alone eat, will have a booming market.

Mr. Speaker, I would hope that my colleagues will take a moment to review this proposed regulation. It is my contention that to label a hotdog—frankfurter with variety meat—and expect a

consumer to know that means stomachs, snouts, spleens, udders, lips, and so forth, is not telling it like it is.

The USDA will accept comments on their proposed regulations until April 17, 1973. Under the regulations, cooked sausage made primarily with raw skeletal muscle meat, but which could include 15 percent raw or cooked poultry meat, along with water, salt, sweeteners, and curing substances, would be called by a generic name; that is, frankfurter. Cooked sausages with 15 percent raw skeletal meat, and meat byproducts, would be labeled frankfurter with by-products—or frankfurter with variety meats. In addition, when a binder is used, such as reduced dried skim milk, that ingredient would also be indicated on the label.

Frankly, I am disappointed that the USDA would continue to propose a double standard. It would appear that the resolution of this issue will ultimately have to be made by the Congress if we are to clarify a State's right to set high standards for meat products.

I fully intend to continue to push my "catch-up with Michigan hotdogs" bill to eliminate byproducts from hotdogs and other comminuted meat products. It is not just enough to give the supermarket consumer a choice of labels to try and figure out what is in such products. What about the person eating out? Will restaurants note differences on their menus? Will hotdog vendors carry USDA grade and Michigan grade at baseball games? Will Michigan's standards be downgraded to the lowest common denominator for the sake of conformity?

The USDA suggests that pure skeletal meat hotdogs would cost more—on February 22, 1973, I called attention to a survey conducted by the Michigan Department of Agriculture which refutes this point, and the results of that survey were noted in the RECORD.

Today, I note in the Washington Post that the USDA effort to continue the use of meat byproducts is designed to stabilize the price of meat products. Do we stabilize the market by selling udders, spleens, lips, tongues, snouts, stomachs and the variety of animal offal put into these products. If you packaged this offal separately, you would not stabilize the market, you would drive the consumer away. If such ingredients are so attractive, so nutritious, so full of protein, so helpful to those on a limited budget, then why not sell them individually?

I would suggest, gentlemen, that there is some question as to whose interests are being served in the hotdog question.

#### TRIBUTE TO THE LATE HONORABLE FRANKLIN H. LICHTENWALTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BIESTER) is recognized for 60 minutes.

Mr. BIESTER. Mr. Speaker, last week I had the sad occasion to announce to my colleagues the death of a former Member of Congress from the Eighth District of Pennsylvania, the Honorable Franklin H. Lichtenwalter.

After a distinguished career in the Pennsylvania House of Representatives, which included service as majority leader and speaker, he came to Congress in a special election, filling the vacancy caused by the death of Charles Gerlach in 1947.

While in Congress, Mr. Lichtenwalter served on the Merchant Marine and Fisheries Committee and the Select Committee on Small Business. His term of office was characterized by dedication to the interests of Bucks and Lehigh Counties which he so ably represented.

After 3 years in the House, he decided to devote full time to his insurance business and therefore was not a candidate for reelection in 1950. He later assumed a post with the Pennsylvania Electric Association and served as its vice president and managing director up to the time of his death on March 4.

Mr. Lichtenwalter shared his considerable abilities with the people of the district during the beginning period of significant growth in the Lehigh and Delaware Valleys, and the eighth district which he knew so well has undergone substantial transformation over the 20-odd years since he was its Representative. The people of Bucks and Lehigh Counties can justly be proud of the contribution he made to this growth through his years of service to the people.

Franklin Lichtenwalter was a respected and engaging gentleman who realized a life of significant accomplishment. Mrs. Beister and I extend our deepest sympathies to Mr. Lichtenwalter's wife and mother on the occasion of his passing.

Mr. ALBERT. Mr. Speaker, I join with the Pennsylvania delegation, the Members of the 80th Congress, and others who served with the late Representative Walter Lichtenwalter, in expressing my sorrow on learning that he had passed away. Although we sat on opposite sides of the aisle, we had a pleasant and friendly relationship, and the sense of identity shared by Members of the same congressional class. Walter was a former majority leader and speaker of the Pennsylvania House of Representatives and well understood the functions of leadership at that time, I daresay, better than I.

He contributed substantially to the important work of the Committees on Merchant Marine and Fisheries and the Select Committee on Small Business. Having been a businessman, he brought to the latter committee expert knowledge and practical experience which was very valuable to them.

Walter did not seek reelection to the 82d Congress, returning instead to private business where he resumed a successful career which he pursued until his death. He was a dedicated legislator during his service in the House, successful in this as in all his undertakings.

I deeply regret to learn of his passing and extend his family and friends my heartfelt sympathy.

Mr. MORGAN. Mr. Speaker, I rise to join my colleagues today in paying tribute to an outstanding son of Pennsylvania and a close friend with whom I was privileged to serve in this body—Hon. Frank-

lin H. Lichtenwalter—who died earlier this month.

Franklin Lichtenwalter's service to the State of Pennsylvania spanned almost 35 years. From 1938 until 1947 he was a member of the State house of representatives, serving as Republican majority leader from 1943 to 1946 and as speaker in 1947.

He came to Washington that same year after winning a special election to fill the seat left vacant by the death of Charles L. Gerlach. I well recall his interest in the legislative process of the House of Representatives when he arrived here in November 1947. That same interest and sense of service was evident during the subsequent full term to which he was elected in 1948.

I grew to know Franklin Lichtenwalter very well during those years and my admiration for his abilities increased as the opportunities multiplied to observe his contributions to the public good.

It was a loss to the House when he decided to retire from public life and return to his private business interests. Yet his sense of civic responsibility never left him and he continued to be active in many good causes in the Harrisburg and Lehigh County area.

The passing of this outstanding former public official is mourned by all who knew and respected him. My wife joins me in an expression of deep sympathy to his wife, Marguerite, and to his mother, Mrs. Ellen Ash Lichtenwalter.

Mr. SAYLOR. Mr. Speaker, we have a tendency to remember those departed Members of this House in terms of their service to this House and the Nation. That is natural, of course, but I recall the career of the late Franklin Lichtenwalter of Pennsylvania, not so much from his service here, but from his long and distinguished career in the House of Representatives of the State of Pennsylvania.

Many Members have come to this House after serving in State legislative bodies, and Frank Lichtenwalter was one of those, but few bring with them as distinguished a claim to fame as did Representative Lichtenwalter. By the time he came to Congress after a special election in 1947, he was already a legend in our State government. He served 9 years in the Pennsylvania House; 3 of those years as majority leader and 1 year as speaker of the State house of representatives.

When I was just a boy in terms of political experience after the Second World War, Mr. Lichtenwalter was one of those who encouraged me to doff my naval uniform and jump into the political waters of Pennsylvania. I can recall wondering, in 1949, if I were not being a bit audacious in trying to follow such a distinguished Pennsylvanian to the U.S. House of Representatives without the weight of experience and service to community which Frank Lichtenwalter had when he moved to Washington. However, he was most helpful during my own special election campaign and his encouragement and decisiveness were instrumental in shaping my first campaign for Congress.

No man who has served his State with distinction is ever truly "retired" from public life and that was certainly the

case with Frank. With affection, I remember our conversations on the subject of Pennsylvania's energy industry, which he was instrumental in building. To the day of his recent death, he was concerned with all the ramifications of electrical production in our State. His service to his State and to the Nation as a Member of two great deliberative bodies, were reflected in his work with the Pennsylvania Electric Corp.

I was saddened by the news of his passing and extend his surviving family, my deepest sympathy. They surely know, as I know, that his name will forever be remembered as a truly outstanding servant of the people of the State of Pennsylvania.

Mr. EVINS of Tennessee. Mr. Speaker, I am pleased to join with my colleagues from Pennsylvania and others in paying a brief but sincere tribute to the memory of our former colleague, Congressman Franklin H. Lichtenwalter of Pennsylvania, who passed away on March 4 last.

I remember Mr. Lichtenwalter well—he served as speaker of the Pennsylvania Legislature prior to his election to the Congress in 1946.

It was my pleasure to serve with him on the Small Business Committee, where he committed himself with distinction and great ability.

Certainly Frank Lichtenwalter will be missed, and I want to take this means of extending to the members of his family this expression of my deepest and most sincere sympathy in their loss and bereavement.

Mr. FISHER. Mr. Speaker, I just received the sad news of the death of our former colleague, the Honorable Franklin H. Lichtenwalter, of the State of Pennsylvania. It was my pleasure to serve with him during the two terms that he was a Member of this body. It will be recalled that he did not choose to seek a third term.

Those who remember Mr. Lichtenwalter will recall that he was a thoroughly honorable man in every respect. He was an effective representative of those who elected him. Always affable and friendly, he always commanded respect and he wielded a wholesome influence. The Nation was better off because this distinguished man served in the House of Representatives.

As I remember him, Mr. Lichtenwalter always put the welfare of the country ahead of political considerations. His ambition was to serve his country well, and that he did in a most commendable manner.

To his survivors I extend my deepest sympathy in their bereavement.

Mr. DORN. Mr. Speaker, we appreciate the opportunity given us by Congressman BIESTER to pay tribute to the memory of our former colleague Franklin H. Lichtenwalter of Pennsylvania. I remember him well, and extend my sympathy to his friends and loved ones. Mr. Speaker, Congressman Lichtenwalter and I shared a common bond, as we were both Members of the 80th Congress freshman class. This group of freshmen Congressmen was perhaps the greatest and most famous in history. Included were John F. Kennedy and Richard Nixon. Lyndon John-

son, although elected earlier, also served in the House during the 80th Congress. We look back upon those momentous days, and we remember Franklin Lichtenwalter. It was a pleasure to serve with him. Again, Mr. Speaker, may we offer our sympathy and respect on the occasion of his passing.

Mr. GERALD R. FORD. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Representative Franklin Lichtenwalter of Pennsylvania. I was saddened by his untimely passing on March 4.

Though he served in this body for only a short time—from 1947 to 1951, he represented Pennsylvania's Eighth District well. During his years in Congress, Franklin Lichtenwalter acquired the respect and admiration of his colleagues. He did an outstanding job on the Select Committee to conduct a study and investigation of the problems of small businesses and the Merchant Marine and Fisheries Committee.

Prior to being elected to the House of Representatives, Franklin Lichtenwalter compiled an excellent record in the Pennsylvania State Legislature as representative from Lehigh County. During his 8 years in the legislature, he served as majority leader and House speaker.

I extend to his wife, Marguerite, and his mother, Ellen Ash Lichtenwalter, my deepest sympathy for their personal loss.

#### GENERAL LEAVE

Mr. BIESTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today in tribute to our former colleague, the late Honorable Franklin H. Lichtenwalter.

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

There was no objection.

#### CONGRESSMAN HANSEN OF IDAHO INTRODUCES LEGISLATION TO CREATE A NATIONAL FLAG COM- MISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 10 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, today I am introducing H.R. 5703, a bill to establish a National Flag Commission. I believe that most of us are aware of how badly a revision of the Federal flag laws is needed. Our present flag code, found in sections 173 and 178 of title 36, contains provisions originally drafted by a National Flag Conference in 1923 and adopted by Congress in 1942. In many respects this law is outdated and unclear. It stands only as a guide to be followed on a voluntary basis by U.S. civilians and civilian groups. It does not purport to cover all possible situations in which questions relating to display and use of the flag might arise. For example, the question of who has the authority to order the flag flown at half-mast and when, a subject which caused a heated

controversy around the Nation a couple of years ago, is not covered by this code.

Much of the present confusion concerning proper usage and display of the flag results from the fact that every State has its own flag law with varying provisions and penalties, some of which have recently been found unconstitutional. Surely, if our flag is to be truly a national flag, regulations concerning its usage and enforcement of these laws should be by the National Government. The Flag Commission could examine the desirability of a new Federal flag code that would either preempt the present State laws or serve as a model for the individual States thus providing a uniformity of law that would eliminate the source of much controversy.

During the height of the antiwar dissension, each of us shared a feeling of sadness over the extent to which our flag became, as a magazine described it, "the emblem of America's disunity." While some seized upon our national emblem as the object of flamboyant protest, others used the flag against those who would dissent from national policies, and still others capitalized on the feelings of each of these groups and exploited the flag for commercial gain by using it to sell a wide range of merchandise from shirts to trash bins and from silver pens to toilet paper.

Now that much of the emotionalism has subsided, I feel that it is timely to introduce this bill, which I believe will lead to a reassertion by Congress of its concern for the flag without fueling the emotionalism that surrounds our noble banner. It creates a nine-member Flag Commission charged with the responsibility of undertaking a comprehensive "study of the prevailing laws, customs, and conventions governing the use and display of the flag of the United States, with a view toward clarifying and codifying such laws, customs and conventions."

The members of the Commission would be appointed by the President and would include two Members of Congress, one from each party, two representatives from the Departments of Heraldry of the Armed Services, one from the American Legion, and three persons from the general population. By providing this membership, the Commission would have members from groups most familiar with and concerned with the laws pertaining to proper display and usage of the flag, and also from the Departments to which most organizations generally look for guidance as to the interpretation of various provisions of the flag code. The Members of Congress appointed to the Commission could take an active role in seeing whatever proposals they make will receive appropriate consideration by Congress. The Commission report would be submitted to the President and Congress no later than January 1, 1975.

Mr. Speaker, at this time I would like to acknowledge the fact that the idea behind this bill is due largely to the tireless efforts of Mr. Otha McGill, chairman of the Flag Education Committee of American Legion Post 77 in Paul, Idaho. Mr. McGill has very strong con-

victions that frequent signs of disrespect for the U.S. flag is attributable to the lack of clear guidelines and an understanding of the symbolic importance of the flag. He communicated his ideas to me and our correspondence has resulted in the bill.

I hope that each of my colleagues will support this legislation as a sensible approach toward solutions to controversies surrounding our flag. It is a timely effort in light of the Nation's impending Bicentennial celebration. I believe that a careful study and redrafting can provide a start to bringing the flag back as the symbol and property of all Americans.

#### SIMPLIFY TAX LAWS AND TAX FORMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RINALDO) is recognized for 20 minutes.

Mr. RINALDO. Mr. Speaker, now that this year's income tax season is upon us, we are once again bearing witness that the Federal income tax laws and the income tax forms remain exceedingly complex. This is further evidence by the fact that more than 50 percent of the income tax returns are prepared by individuals other than the taxpayers themselves. The results of this heavy reliance on commercial tax preparers are very disheartening. Reports in the newspapers and journals demonstrate that the lack of competence and integrity among many of these tax preparers is indeed a serious national problem which Congress must deal with promptly. Clearly, the 36 million taxpayers who seek commercial tax preparation assistance need to be protected against incompetent and unscrupulous preparers.

Particularly in recent years, we have seen the tax preparation industry mushroom. These businesses range in size from a national network of offices to a one-man operation in the corner of a garage or back room of a local bar. These preparers operate freely with very little control over the quality of their product.

How can this be corrected? The best solution, of course, would be to simplify the tax laws and the tax forms so that the average taxpayer would be able to complete his own return. I am sorry to say, however, that any hope to accomplish this objective in the foreseeable future is unrealistic. We can improve conditions considerably, however, if we regulate the tax practitioners as we do other businesses that perform widespread services for the public. I will introduce a bill Thursday which will accomplish this objective.

My bill would require all individuals who prepare another person's tax return for a fee to be licensed by the Secretary of the Treasury. Attorneys and certified public accountants would be exempt because they currently operate under very strict codes of ethics prescribed by their professional associations. Others, however, would be required to meet certain qualifications which would be prescribed by the Secretary of the Treasury. The license would be valid for a period of 2

years unless it is revoked or suspended. A fee of up to \$50 could be charged for the issuance of the license.

The license could be revoked or suspended if the licensee misrepresented his qualifications in obtaining the license, misrepresented the type of service he can provide, or intentionally misrepresented any item of information in the tax form.

My bill also sets forth actions the Secretary of the Treasury may take against tax preparers under specific conditions. Such causes for action would be fraudulent preparation of a return or failure of the preparer to sign the return.

Each licensed practitioner would be required to complete a form as required by the Secretary of the Treasury, stating the names, addresses, and the identification numbers of all taxpayers for whom he furnishes services.

By requiring commercial tax preparers to be licensed, we could effectively prevent the unscrupulous practitioner from deceiving the public about his qualifications. Under the licensing procedure, the taxpayer would have the assurance that his return is being prepared in a competent manner. Moreover, the individual would be assured that he would get a properly prepared return so long as he sought the services of a licensed practitioner.

Under present conditions, an individual can often get as many different results as there are preparers to complete his return. To illustrate, I can refer to the April 9, 1972, issue of the Washington Star which reported the results of a recent survey in which a reporter assumed a fictitious identity and hired seven commercial firms to prepare a return based on the same set of facts. All seven of these preparers produced different amounts of refunds which ranged from \$570 to \$801.

Another similar survey, using a different set of facts, was reported in the April 7, 1971, issue of the Wall Street Journal. The results showed that four out of five preparers computed refunds which ranged as high as \$652, while the fifth preparer calculated that the taxpayer owed the Government \$141. While some margin of difference can be reasonably expected, a closer examination of certain items of income and expense in the above survey showed even wider variations. Moreover, items that were clearly not legally deductible were listed as deductions, reflecting not only unqualified preparers but activity bordering on fraud.

Mr. Speaker, my proposal would also establish severe penalties for preparers who negligently or intentionally understate the amount of tax to be paid. The preparer would be liable to the Federal Government for 50 percent of the amount of the understatement.

In my opinion, this penalty would act as an effective deterrent to those preparers who have cheated the Government out of the proper tax.

In testifying last year before the House Government Operations Subcommittee on Legal and Monetary Affairs, Internal Revenue Commissioner Johnnie Walters revealed that in past years the Internal Revenue Service has proceeded in only a small number of the most flagrant fraud

cases. However, in a more determined recent effort to check on preparers in seven regions, the IRS found that out of 3,174 preparers, 2,200 had prepared incorrect returns. While incompetence was the prime cause, at least several hundred were suspected of being fraudulent.

Shortly before Mr. Walter's testimony was presented, Secretary of the Treasury John Connally told the National Association of Broadcasters that a survey of several hundred tax returns completed in the southeastern United States indicated that 97 percent of those prepared by persons other than the taxpayer were fraudulent and that 40 of these preparers had been indicted.

The Internal Revenue Service is trying desperately to crack down on these "tax experts," but, as Mr. Walters stated, congressional action would be required to provide his agents with new help.

Last year, across the Nation, 127 preparers pleaded guilty or were convicted under present laws. As of March this year there have been 95 indictments, 31 arrests, and 12 acquittals or dismissals in connection with these tax preparers. This year the IRS reports that in its shopping survey 1 out of every 4 tax returns prepared by someone other than the taxpayer was fraudulent. While some progress has been made due to publicity and extended service by the IRS, the energies and good intentions of the Service were not enough to stop these fly-by-night "experts."

My bill would curtail this widespread incompetence and fraud perpetrated by tax preparers. It would prevent incompetence by granting a required license only if the individual demonstrates his ability to prepare a return accurately. Fraud would be minimized by my bill because it would place greater control over preparers and subject them to greater accountability and the risk of penalty if fraud is committed. My bill would facilitate auditing all the returns prepared by a suspected preparer, since the bill requires the preparer to complete a form, as prescribed by the Secretary of the Treasury, on which he would list information concerning the taxpayers for whom he performed a tax service. In general, my bill would improve immeasurably the quality of commercial tax return preparation for those 36 million taxpayers who rely on this type of service each year.

What really needs to be done, Mr. Speaker, is for the Internal Revenue Service to issue forms that are more easily understood so that the average taxpayer need not require assistance in filing a return and then fall prey to unscrupulous consultants. But, until that time, legislation of this type is needed.

#### RIGHT OF CONSCIENCE IN ABORTION PROCEDURES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, on February 27, I introduced H.R. 4797, the Right of Conscience in Abortion Procedures Act. The bill would

require medical institutions to provide employees the right and the opportunity to sign statements of conscientious objection to participation in abortion procedures.

I am pleased to reintroduce this legislation today with 40 cosponsors. The support which has been given to this bill by my colleagues demonstrates, I believe, the concern which exists throughout the country about the right of individuals to live by their own moral code. Since introducing the legislation I have received letters from all parts of the country—my own State of Massachusetts, Pennsylvania, Minnesota, and California—to name a few. All those who contacted me expressed their own concern for the protection of individual rights.

Mr. Speaker, conscientious objection to the taking of unborn life deserves as much consideration and respect as does conscientious objection to warfare. The Federal Government should never be party to forcing hospital personnel to perform tasks which they find morally abhorrent. In a spirit of fairness, I strongly believe that the Congress should act favorably on this matter, despite whatever personal feelings Members may have on the matter of abortion itself.

The issue here is the right of every individual to live according to his or her personal moral code. I will be working with my colleagues in the House to see this bill through to final passage.

I am submitting for the RECORD a list of the cosponsors and the text of the legislation:

#### COSPONSORS OF H.R. 4797

Mr. Archer, Mr. Burke of Massachusetts, Mr. Don Clausen, Mr. Cronin, Mr. Delaney, Mr. Derwinski, Mr. Esch, Mr. Forsythe, Mr. Gude, Mr. Gunter, Mr. Hanrahan, Mr. Hansen of Idaho, Mr. Helstoski.

Mr. Holifield, Mrs. Holt, Mr. Howard, Mr. Huber, Mr. Hudnut, Miss Jordan, Mr. Ketchum, Mr. Kuykendall, Mr. Lujan, Mr. Madigan, Mr. Mazzoli, Mr. McCollister.

Mrs. Mink, Mr. Moakley, Mr. Nedzi, Mr. Obey, Mr. Powell, Mr. Quie, Mr. Rhodes, Mr. Rinaldo, Mr. Roncallo of New York, Mr. Roy, Mr. Ryan, Mr. J. William Stanton, Mrs. Sullivan, Mr. Whitehurst, Mr. Zwach.

#### H.R. 4797

*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 "Right of Conscience in Abortion Procedures Act."*

Sec. 2. Eligibility of each hospital, clinic, and other medical institution to apply for Federal financial assistance shall also be contingent upon certification satisfactory to the Federal agency administering the program under which such assistance is made available that such hospital, clinic, or institution has afforded all employees who may be directly involved in the procedure of abortion or the disposition of any aborted fetus the right and opportunity to sign a statement of conscientious objection to participation in such procedure or disposition, and that such statements are honored in full without discrimination in regard to the terms of employment or opportunities for promotion and advancement. Such eligibility shall also be contingent upon the keeping of all such statements on file by such hospital, clinic, or institution, and the availability of such file for inspection by such Federal agency.

#### VIETNAM DRAFT EVADERS AND DESERTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the ending of U.S. involvement in the Vietnam war has brought the issue of amnesty for draft evaders and deserters once again to the surface of national debate.

I have made my position on amnesty clear before, and I must say that the ending of the Vietnam war has not changed my opinion. I am still opposed to amnesty, not so much out of vindictiveness toward the deserters and evaders, but out of respect and admiration for those who chose to serve their country and its ideals. To grant amnesty would tarnish the esteem in which we hold those men who answered the call.

Mr. Speaker, there is no way to forget the over 50,000 Americans who died in this war. There is no way to forget the 300,000 Americans who were wounded in Vietnam or the 2½ million Americans who served there. There is no way to forget the sight of American prisoners of war returning home after years of hardship, with "God bless America" still their creed.

And as long as we remember the sacrifices of these brave men, we cannot allow a draft evader or deserter to come home unless he pays the full penalty. Those men who served had at some point the same option taken by the deserters and evaders. But they rejected it and elected instead to fulfill their military obligation.

One of the arguments most often advanced in favor of amnesty is that granting forgiveness will help bind up the wounds of division brought on by the Vietnam war. But holding this argument up in the light reveals its transparency. Rather than having a healing effect, granting amnesty would reopen thousands of wounds suffered by those who served in Vietnam. The families and loved ones of those who maintained their loyalty and went to Vietnam, some to die there, would certainly experience no healing sensation by seeing those who refused to serve welcomed back with open arms.

There is bound to be a feeling of relief and charity following such a long and painful war, and well there should be. But I believe we should reserve our charity and our expressions of good will for those Americans who remained loyal to their country. Granting amnesty to Americans who turned their backs in a time of national need would write a very unhappy ending to this long and unhappy war.

#### ATLANTA SYMPOSIUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, today I submit for inclusion in the RECORD, remarks of Gen. William Westmoreland, Senator SAM ERVIN, of North Carolina,

and others recently made in Atlanta at a Time, Inc., symposium on "The Role of Congress," regarding congressional committees. The moderator was Louis Banks, editorial director, Time, Inc.

The material follows:

Mr. BANKS. I think I saw General Westmoreland's hand up. Would you make your way to the microphone.

Gen. WILLIAM C. WESTMORELAND. I suppose, Mr. Chairman, by virtue of the fact that I have been somewhat under the influence of the Executive Branch for a number of years, I have a certain affinity for that branch of our Government. But I must say I was very interested in the word used by Dr. Huitt in describing committee hearings. The word of "stagecraft."

I submit that one of the problems with the Congress of the U.S. and the committee system is that there is too much stagemanagement rather than diligent effort in getting at the heart of the problem.

Now I have spent hours and hours and hours over a period of many years testifying before congressional committees. I have encountered percentage-wise very few Congressmen or Senators who were diligent in doing their homework and had the facts that were made available to them by most of us who were to testify, before the hearing started.

I have spent hours and hours testifying before one-man committees, but the record of the hearing suggested that every member of that committee was present. And this goes out to the taxpayer. This goes out to the voter. However, if the television cameras showed up, you could be sure that there would be almost the full committee membership present.

In other words, stagemanagement, self-aggrandizement was more in the minds of the members of the committee than getting at the heart of the problem and analyzing the pros and cons, and taking a position on an issue, most of which are extremely complex by virtue of the facts involved.

And I submit that one of the reasons that Congress has presumably lost some prestige—and I'm in no position to agree or disagree with that—is because there are too many demagogues in the Congress and not enough statesmen.

Mr. BANKS. Senator Ervin, did you think all that time he was testifying he was enjoying it?

Senator ERVIN. Well, he testified very well. I would say that one of the fundamental troubles of Congress and the Government is the fact that there is too much power and too many functions concentrated in the Federal Government.

When the Congress has to deal with every problem that arises in this country, including such things as filling up mudholes in the streets of the little towns and things like that, and every member of Congress serves on so many committees and subcommittees he can't possibly get around to all of them, then I think we are going to have to curtail the powers of the Federal Government and simplify it before a Congressman can give the attention to the matters he should.

I would say this: I'm afraid if we put television in every committee hearing the committee would never conclude its work?

Mr. BANKS. Dr. Huitt?

Dr. HUITT. I have been on both sides of this thing. I have spent some very jumpy nights wondering what a congressional committee was going to do to us. I have also been connected with committees, and I must say I have been guilty, on the other side of the very same thing.

When a committee asked for a certain kind of information they got a lot of information but never quite what they asked for. So it is a family battle between the Executive and the Legislature and I would not expect some-

body who spent his life with the Executive to have much sympathy for Congress. I wouldn't expect that at all.

I sympathize with you.

General WESTMORELAND. I'd like to put in a postscript. I do feel that the committee staffs are woefully inadequate in doing the research that a Congressman and a committee member should have, despite the information provided by the Executive Branch.

Mr. BANKS. Senator Pepper, as a TIME cover man you certainly have priority.

Representative CLAUDE PEPPER. Thank you very much. I very firmly believe, that due in part to the complexity of our current problems, Congress has regrettably abdicated its power from time to time and permitted its erosion in favor of the Executive Branch. If the Congress is to restore its prerogative, I'd like to hear the comment of the panel on what changes will be necessary in its organization to enable it to perform its function.

For example, let's take the impounding of funds.

There was a thought in the Congress that there should be an overall limitation on expenditures although we did not agree to it in the extension of the debt limit. But the President indicated that he was going to fix that overall limit of spending.

We all recognize that the way the congressional system works is that an individual member will introduce a bill, a committee will report out the bill, the House or the Senate will pass the bill, the two bodies will finally agree upon it. But there is no overall picture, no overall authority in the Congress to apply any kind of limitation on program, or have any overall view of them.

For example, on the matter of water pollution, I believe strongly that Congress indicated that it regarded the matter as very serious to the country's welfare. We even overwhelmingly overrode the veto of the President on the water pollution bill. Yet the President now allows spending of only two billion of the five billion dollars that we have made available for this purpose in this fiscal year and three billion of six billion that we made available for the next fiscal year.

If we in Congress are going to determine an overall budget of our own, how are we going to be able to create the machinery by which we can do so? How can we impose our own legislation, and not necessarily accept the President's spending figures?

And thus, how can Congress determine the priorities that ought to be in the interest of the country?

Senator ERVIN. I think that a very wise effort has been made in that direction. Unfortunately, it passed the Senate several times but has never passed the House. It was introduced originally by Senator McClellan of Arkansas and it proposed to set up a joint committee of the Senate and House to be concerned about budget matters.

First, it was to have a staff that would gather information about the President's budget, as to the advisability of the different items in it, and also to exercise an overview, as the appropriation bills passed through Congress, to try to keep them within reasonable bounds. I think that by establishing a joint congressional committee, we could bring some order out of the chaos that you have quite correctly depicted.

Senator BROCK. I would like to address that matter because I have introduced legislation on it.

I introduced a bill which is somewhat along the line that Sam and Claude mentioned. But it goes a little bit further in the sense that the bill creates a Joint Committee for the Legislative Budget. That committee would meet and establish all fiscal resources, all income for the coming year. And then it would allocate those resources based

upon an evaluation of national need, upon priorities.

And if this committee allocated X number of billions of dollars to education, that's it. And until it had allocated that gross overall amount for the problem area, no committee could act. Once the overall amount was established, it would go to the committee and then we'd say: "Do we put the money into high school, college, grammar school, vocational or what-have-you?" And it would be the committee's responsibility to design the actual program to implement the needs to solve that problem.

It goes into another point, too. It requires that every single program in government be re-evaluated at least once every 3 years. We've got these programs on the books that have been there 20 and 30 years, and some of them are awful. Yet, nobody wants to go through the mess of having to worry about them, and reevaluate them and see if they are doing the job for which they were designed. We just don't do that.

My bill requires that any major program be pilot-tested for 2 years before it's implemented on a national basis. That's the kind of thing that could be done.

There is no pride of authorship, but something like that just simply must be done.

Mr. MACNEIL. I'd like to speak briefly to Congressman Pepper's question about how it can be done.

I think if there were in the Congress a will to do things the means could be found. I think the whole budget area, the whole appropriations area, needs a vast overhaul. How this would be done is not so important as the will to do it.

As I mentioned briefly in my remarks, it was Franklin Roosevelt who started, in effect, what I regard as the denigration of Congress. And one part of this was something started in 1938, when the leaders of Congress, of the Democratic party, began to make weekly visits to the President at the White House to get their marching orders. That was the beginning of making the leaders of Congress the lieutenants of the President. The political lieutenants of the President. It continues today.

Back in the 1880s, the 1890s, there was a far different attitude within the Congress. Speaker Tom Reed, perhaps the greatest of the Speakers, refused at any time to visit the White House for fear that this might in any way denigrate his office as Speaker of the House. That was in the 1880s.

When Senators of the U.S. called on the White House in those days, they called to tell the President what the President should do. They would take it as a great umbrage if the President suggested to them anything they might do.

It was Henry Adams, the great scholar who was the grandson of one President and the great-grandson of another, who said that Senators of his time were of such personal arrogance as to defy ridicule and parody. They were arrogant.

I am somewhat hesitant to suggest this, but perhaps it is time for the members of Congress and the Senators to get back some of that arrogance of old, however difficult it might be for us to deal with them. I think the arrogant ones are the ones who will stand for the institution and for its prerogatives and its rights.

Mr. BANKS. We have Dr. Huitt and I think we will take one more question.

Dr. HUITT. I have sympathy for Mr. MacNeil and his desire to turn back the clock 75 years to a day when the presidency of the U.S. was of such sordid character that Lord Bryce said: "The President of the U.S. needs about the same talent as the president of a second-rate railroad."

Now the times have changed and we've got a different kind of President.

If you talk about getting a centralized

committee of the Congress that would decide on priorities, allocate resources, decide what will be spent for what, and then how the taxes shall come in, the most important political question in the country will be who sits on that committee.

There was a proposal—and it went around and had a lot of academic sponsorship—that the senior members of the two appropriations committees and the senior members of the two taxing committees should compose such a budget committee. And I was all for that until I took a look at who those people were.

You see, I happened not to agree with their philosophy. So I'm trying to say that these people elected by no national constituency would have no responsibility really to anybody. If such a committee were created, and the same party controlled both the White House and the Congress, I believe it would not be an independent body. It would become captive to the President. Now this is not a way I want to go.

There are weaknesses in our system because of decentralized power. No doubt about it. It can't do these things the gentlemen are talking about.

There also are weaknesses in the British parliamentary system. The members of the House of Commons are ciphers. They are voting machines. I sat with a member of the House of Commons who said when he joined the Labor Party he took a pledge that he would never vote against a party position. He told TIME: "So long as I keep that pledge I have a lifetime job. The first time I don't, at the next election I'll be defeated."

So, unfortunately, in this world we cannot have everything. We cannot even have a choice. One might think that the parliamentary system is a better system, but one doesn't change political systems any more than one changes personalities. It just doesn't work.

This is the system we've got. This is the one we're stuck with. And I'm contending tonight that the weaknesses, the major weaknesses of the congressional system are weaknesses that we live with because they are the costs of the strength of the congressional system.

Senator ERVIN. I think that's absolutely correct. The thing that makes the independence of Congress is the very thing that keeps Congress from submitting to a dictatorship either from the White House or from a group of its own members.

And in reply to an earlier statement concerning Congressmen, I say about the only kind of Congressman you are ever going to get is the kind that the people elect. That's the reason I say if you're going to reform the Congress you have to reform the people.

I just don't think that the system contemplated that 435 Congressmen and 100 Senators should be under a dictatorship, either the President or a self-imposed dictatorship. In fact, I don't think you can do it because most of them are sort of prima donnas. All of them have a different constituency and they feel like they're answerable to their constituency.

I agree that sometimes some members of the Congress don't share the same sound views I do on all subjects. It's sort of like what T. B. McCrowder said about the House of Commons: "They think more about the security of their seats than they do about the security of the country." And I guess it will be that way as long as human nature is what it is.

Senator BROCK. I think there is something that hasn't been said tonight and it really bothers me.

The Congress today is financing its own re-election with the taxpayers' money. We have institutionalized the Congress; we have made it rigid because it's almost impossible—my own experience to the contrary—to beat an incumbent who wants to stay in office.

You give a Senator from a little state of

2 or 3 million people \$350,000 to \$400,000 a year to spend in terms of staff. You give him an absolute mailing frank which is the equivalent of a quarter of a million newsletters per month, not counting baby books and Bibles and agricultural books and every other thing he can mail out. Under these conditions it's really tough—it's really tough—to beat a man who is running for re-election with your financing him.

The man running against him is paying taxes to beat himself. And that's a danger. It's a very grave danger in this country. We have mechanized the political process with data banks and enormous computer tapes and the ability to put a piece of mail in every constituent's home once every month or two. That's tough to fight.

And if that gets to be too strong, if a Congressman can pass all the water bills, all the public works bills and get all the post offices in his district because he's got enough seniority to get those bills through, you haven't got a man who is really representing his people. He is representing himself very effectively.

Mr. BANKS. We are running out of time. We all appreciate your participation in this event. I want you to know how very much we do thank you for your energetic participation.

#### REFORMS OF THE RULES AND PROCEDURES IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON. Mr. Speaker, a number of far-reaching changes in the Democratic caucus rules—and a number of changes in the House rules—have been adopted since the beginning of this 93d Congress.

The Democratic study group, consisting of some 165 Democratic Members of the House of Representatives, played the leading role in initiating and supporting these changes.

As the chairman of the DSG during this period, I am taking the liberty of placing a summary of these changes in the RECORD:

##### RULES CHANGES ADOPTED AT START OF 93D CONGRESS

*Automatic Vote on Chairmen.*—Requires a separate vote on each nominee for Committee Chairman at the start of each Congress and provides that such vote be by secret ballot on demand of one-fifth of those present. There is no debate unless time is requested either by a Chairman or at least four Members who wish to speak in opposition to a nomination in which case 20 minutes would be equally divided between opponents and proponents.

*New Steering & Policy Committee.*—Reconstitutes the 26-member Democratic Steering Committee as a 23-member Steering and Policy Committee consisting of the Speaker, Majority Leader, Caucus Chairman, 12 members elected from 12 equal regions, and eight members appointed by the Speaker. The Committee will make recommendations to the Caucus or leadership regarding legislative priorities, party policy, and other matters. It could also make recommendations to the Committee on Committees regarding nominees for Chairmen of House Committees.

*Closed Rule Restriction.*—Requires a layover of 4 legislative days before a closed rule can be sought or granted. If during that time 50 Democratic Members serve written notice that they wish to offer a particular amend-

ment, a Caucus must be called to decide whether the Democratic Members of the Rules Committee should be instructed to make the amendment in order.

*Open Committee Meetings.*—Requires a separate roll call vote to close any committee meeting or hearing. Hearings can be closed only in situations involving the national security or defamation of character. Markup sessions can be closed for any reason provided no person other than Members and congressional staff attended the closed session.

*Executive Committee Membership.*—Requires members of exclusive committees to relinquish additional committee assignments after the 93d Congress.

*Committee Caucuses.*—Creates a Democratic caucus on each committee with authority over selection of subcommittee chairmen, subcommittee jurisdictions, party ratios on subcommittees, and subcommittee budgets. Requires that the Democratic caucus meet after approval of the committee membership lists but before the organizational meeting with the Republicans, and thereafter on call of the chair or a majority of the caucus.

*Subcommittee Jurisdictions.*—Requires the full committees to establish specific legislative jurisdictions for subcommittees.

*Referral of Legislation.*—Requires that all legislation referred to the full committee be referred to subcommittee within two weeks, unless the Democratic caucus of the full committee votes for full committee consideration.

*Subcommittee Budgets.*—Guarantees that each subcommittee shall have adequate funds to meet its responsibilities for legislation and oversight.

*Subcommittee Chairmen.*—Requires approval by the Democratic caucus of all subcommittee chairmen, in order of seniority.

*Subcommittee Powers and Duties.*—Authorizes individual subcommittees to schedule meetings, hold hearings, and report all matters referred to it to the full committee.

*Subcommittee Membership.*—Guarantees all members a major subcommittee assignment to the extent vacancies are available by permitting members, in order of seniority, to bid for choice subcommittee vacancies, and requires Democratic caucus ratification of all subcommittee members.

*Subcommittee Ratios.*—Requires that the ratio of Democrats to Republicans on subcommittees (including *ex officio* voting members) at least meet the ratio of Democrats to Republicans on the full committee, and authorizes the Democratic caucus to select a member to negotiate the subcommittee ratios with the Republicans.

*Conference Committee Ratios.*—Requires that the ratio of Democrats to Republicans on conference committees at least meet the ratio of Democrats to Republicans on the committee from which the conference committee is appointed.

*Committee on Committees Expansion.*—Adds the Speaker, the Majority Leader and the Caucus Chairman to the Democratic Committee on Committees.

*Johnson Rule.*—All Members are guaranteed at least one major committee assignment.

*Term Limitations.*—Limits the Caucus Chairman and other Caucus officials to two terms each.

*Scheduling of Suspension Bills.*—Permits the leadership to schedule suspension bills on four days of each month rather than on only two.

*House Meeting Times.*—Permits the Speaker to determine when the House will be in session on the basis of majority consent rather than unanimous consent.

*Delegates and Commissioner.*—Provides that the delegates from the District of Columbia, Guam and the Virgin Islands, and the Resident Commissioner of Puerto Rico

have full voting rights and seniority in committee.

In addition to the above, the House established a 10-member select committee to make an in-depth study of committee jurisdictions and procedures, and report recommendations before the start of the 94th Congress.

It is hoped that a number of useful recommendations will result from this proposal.

#### MR. EHRLICHMAN ANSWERED ON TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, those who heard Presidential Adviser John D. Ehrlichman on ABC's "Issues and Answers" last Sunday were startled by his statement that—

Tax reform could raise a lot of money only if you don't let the average householder deduct the interest on his mortgage any more, and you don't let him deduct charitable contributions to his church or to the Boy Scouts. . . .

Mr. Ehrlichman appeared unaware of the amount of revenue to be raised through plugging loopholes such as capital gains at death, the asset depreciation range system, deferral of tax on foreign earnings of U.S. subsidiaries—all of which now benefit not the average taxpayer but the wealthy and large businesses.

Hobart Rowen's excellent article in the Washington Post today—the text of which follows—should enlighten Mr. Ehrlichman:

##### LOOPOLES AND LITTLE GUYS

On ABC's "Issues and Answers" last Sunday, presidential aide John D. Ehrlichman said that "there is a lot of misinformation around in this business of tax loopholes," and then he did his best to spread some more of it around.

The basic point that Ehrlichman was trying to make is that it's not possible to raise a great deal of money by tax reforms, "unless you start digging into the average taxpayer's exemptions, or charitable deductions, or mortgage credits, or something of that kind."

That, as Mr. Ehrlichman must know, is simply not true. He was just trying the usual scare tactics that have been this administration's old reliable weapon against tax reform.

What is true is that the exemptions or loopholes he mentions account for a considerable part of the erosion of the tax base. But there is plenty more that he didn't choose to mention.

Could it be that Ehrlichman failed to point to other loopholes because the chief beneficiaries are businesses and the most affluent taxpayers?

For example, the exhaustive analysis of erosion of the individual income tax base by Brookings Institution economists Joseph A. Pechman and Benjamin A. Okner in January, 1972, for the Joint Economic Committee of Congress shows that under a comprehensive tax system, the Treasury would pick up \$55.7 billion in revenue it now loses to the leaky tax structure.

Of this total, \$13.7 billion would come from taxing all capital gains, and gains transferred by gift or bequest; \$2.4 billion from "preference income" such as tax exempt interest, exclusion of dividends, and oil depletion; \$2.7

billion from life insurance interest; \$9.6 billion from owner's preferences; \$13 billion from transfer payments (welfare, unemployment compensation, etc.); \$7.1 billion for the percentage standard deduction; \$2.9 billion for deductions to the aged and blind; and \$4.2 billion for other itemized deductions.

On the corporate side, Ehrlichman made no mention of the \$2.5 billion in reduced tax burden that business will get this year through accelerated depreciation schedules (ADR); and another \$3.9 billion via the investment credit. From 1971 through 1980, ADR will be worth \$30.4 billion and the tax credit \$45.2 billion (all U.S. Treasury calculations). And in that span of time, there will also be some \$3 billion in give-aways through DISC—a tax shelter for export sales profits just created by the revenue act of 1971.

Another tax reform target Ehrlichman appears unable to see is income-splitting, which Pechman and Okner estimate causes a revenue loss of at \$21.6 billion annually, almost half of which is a benefit to a relative handful of taxpayers in the \$25,000-\$100,000 income brackets.

But there's more to it than that. Ehrlichman pretends to be concerned about that "average householder" who would be hit if he couldn't take his mortgage interest as a deduction. But of the \$9.6 billion that Pechman-Okner show lost to homeowners' preferences, defined as deductions for mortgage interest and real estate taxes, \$5.3 billion goes to the tiny 5 percent of taxpayers with reportable adjusted gross income of \$20,000 or more.

And how about Ehrlichman's warning that Uncle Sam can't raise tax-reform money in significant amounts "if you don't let the average householder . . . deduct charitable contributions to his church or to the Boy Scouts . . ."? Is he really worried about the little guy?

The Tax Reform Research Group (one of Ralph Nader's operations) showed last year that when you divide the number of taxpayers in each income group into the total tax preference benefits of charitable deductions, other than education, you find this:

Among taxpayers in the \$7,000 to \$10,000 income bracket, the average tax benefit for charitable contributions was \$17.44; for those in the \$10,000 to \$15,000 bracket, \$33.11; for those in the \$20,000 to \$50,000 bracket, \$199.09; for those in the \$50,000 to \$100,000 bracket, \$1,211.16; and for those making \$100,000 and over, a whopping \$11,373.56.

So who is Ehrlichman trying to kid? If the administration doesn't have a decent tax reform program, it's not because it could wring the money only out of the little guy, nor because there aren't outrageous loopholes waiting to be plugged. It's just because Mr. Nixon must believe that his constituency likes the inequitable tax system pretty much the way it is.

#### INTRODUCTION OF EXCESS PROPERTY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, I am today reintroducing legislation I first filed last year to provide permanent authorization for the Federal Government's excess property program. This program has saved taxpayers millions of dollars by permitting Federal grantees, such as schools, hospitals, and social service agencies, to use excess Federal property, rather than buying expensive new equipment.

Last June, the General Services Administration published new regulations

which terminated the excess property program. The response to the proposal was so overwhelmingly negative that the new regulations were rescinded pending a study of the excess property program.

However, the Department of Health, Education, and Welfare unilaterally terminated the excess property program for its grantees. This action has cut off schools and hospitals all over the country from much-needed equipment. This equipment ranges from used desks and typewriters, to excess computers and heavy machinery for use in vocational schools.

The increased cost created by the program's termination can only be made up through increased property and school taxes. It simply does not make sense not to allow schools, hospitals, and other grantees to use no longer needed equipment.

There have been reports that some grantees have abused the excess property privilege. However, this does not mean that the entire program should be disregarded. The legislation I have introduced, together with 27 of my colleagues, establishes strict eligibility criteria.

I include the text of the bill at this point:

H.R. 5704

A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 483), is amended by adding at the end thereof the following new subsection:*

*(1) Each executive agency shall furnish excess property to any grantee under a program established by law and for which funds are appropriated by the Congress if the head of that executive agency determines that the use of excess property by that grantee will (1) expand the ability of that grantee to carry out the purpose for which the grant was made, (2) result in a reduction in the cost to the Government of the grant, or (3) result in an enhancement in the product or benefit from the grant. Any determination under the preceding sentence shall be reduced to writing and furnished to the grantee involved. The Administrator shall prescribe regulations governing the use, maintenance, consumption, and redelivery to Government custody of excess property furnished to grantees under this subsection."*

#### REGIONAL MEDICAL PROGRAMS WARRANT YEAR'S EXTENSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DULSKI) is recognized for 10 minutes.

Mr. DULSKI. Mr. Speaker, among the many health programs scheduled for elimination by the Nixon budget slashes is the lakes area regional medical program, encompassing a nine-county area in western New York and northwestern Pennsylvania.

Abolition of this productive health program would be a grave mistake. I am today introducing legislation to extend for 1 fiscal year, until June 30, 1974, the program of assistance for regional medical programs.

A number of health-related authorizations are due to expire this year, and the programs and their results will be analyzed by the Congress. However, this will be a lengthy process and I believe there should be no interruption in the operation of such successful community-oriented services as our lakes area regional medical program.

A 1-year extension, at existing funding levels, will permit retention of the carefully-built organizations and assure continued services beyond the June 30, 1973, expiration date.

The regional medical programs were established for activities in the fields of heart disease, cancer, stroke, kidney, and related diseases. In response to administration directives, RMP's since have expanded work to improve access to health care delivery systems.

There are 56 regional medical programs throughout the Nation, and it may be possible that not all of them are of the high caliber of lakes area regional medical program. But I do not see how the administration can question the scope, frugality, efficiency, or efficacy of the expenditure of funds for LARMP.

#### LOCAL SHARE HAS INCREASED

In 1969, every dollar of Federal money was being matched by 23 cents, in money and personal services, from LARMP local sources.

A recent survey showed that the local community share has grown to 66 cents for each Federal dollar—and the ratio is fast approaching a 1-for-1 basis. Administrative costs have been reduced from 20 percent of the budget in 1970 to less than 8 percent in 1972. This surely is an unusual, if not unique, trend for utilization of Federal funds.

The program follows the administration guidelines for decentralization of power. The burgeoning Federal bureaucracy is not cultivated. In LARMP local health provider systems work with local nongovernment personnel, under largely volunteer regional advisory groups.

Our voluntary structure consists of 475 people in the 9 advisory groups: 162 physicians, 143 allied health personnel and hospital administrators, and 170 members of the general public. An office staff of 40 and a field force of 160 are paid on a full or part-time scale.

Over 2,000 health professionals and over 41,000 patients have benefited from the services, tailored to local needs by local people.

Duplication of efforts and overlapping of services are not issues here. In fact, the system fills in gaps between other sources of information and assistance—as was the intent. Medical knowledge is centralized and coordinated and then communicated as Federal, State, and local needs require. Supportive rather than direct services are supplied.

The Erie County Emergency Medical Services project was funded through LARMP. Hundreds of county residents have spent thousands of volunteer man-hours to institute an effective emergency help system. Training is provided for emergency technicians, research is progressing on local emergency medical facilities, and planning is nearing comple-

tion on a critical needed emergency radio network.

#### VITAL PROGRAMS DEVELOPED

Even with funding at a lower level than desired, Emergency Medical Services has exceeded its timetable and stimulated the formation of Emergency Medical Care Committees in seven other countries of the LARMP.

The Educational Telephone Lecture Network, with more than 250 programs a year in the nine-county area, offers an invaluable aid to all hospital personnel for keeping current on developments in their specialties.

The Information Dissemination Service gives expanded access to health information to all professionals.

Rural care is given a boost by the Mobile Health Unit in Allegany County.

Support is provided to the respiratory disease program, the coronary care unit training program for nurses, and a tumor registry program aimed at eventual definition of factors in cancer formations.

The public receives direct benefits as well, as the Niagara Frontier Association for Sickle Cell Disease is assisted in arousing public awareness.

For all of these—and other—supportive, informative, and indispensable services, this year's budget was only \$1.4 million. I am sure my colleagues can cite equally impressive records for most of the other 55 RMP's.

One would think that the knife-happy budget surgeons would agree that this program follows their decentralized, non-overlapping, thrifty strictures.

Mr. Speaker, regrettably, this fine program is slated for extinction unless the Congress acts. I urge speedy action on my bill to extend authorization for another year, and thorough hearings at an appropriate time, with a view to expanding the positive functions of the regional medical programs.

#### MOTION PICTURE "SOUNDER"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, on Tuesday, March 6, I was joined by many of my colleagues from the House and the Senate, as well as Justice William O. Douglas; the president of the Motion Picture Association, Jack Valenti, and invited guests at a luncheon which I sponsored to honor Cicely Tyson, Paul Winfield, and Robert Radnitz, the stars and producer of the film "Sounder." I believe that this film, which has been nominated for four academy awards this year, will endure as a classic work of art and a classic look at the humanity in each of us. I would like to propose a personal resolution to my colleagues:

Whereas, the motion picture "Sounder" portrays with rare understanding and insight those qualities of love and courage which transcend racial and time barriers; and

Whereas, the film has been proclaimed by many to be a classic, showcasing the talents and commitment of all those involved to provide quality entertainment for American audiences; and

Whereas, the need for such artistic ex-

pressions of brotherhood, love and trust are beneficial to an appreciation of the Black experience in American history;

Therefore I would like to commend before my colleagues 20th Century Fox Film Corporation, the distributors of the film; the Mattel Corp. and Robert B. Radnitz, producers; Martin Ritt, director; Lonne Elder III, screenwriter; William H. Armstrong, who wrote the novel on which the film is based; Taj Mahal, who wrote and performed the music; the stars: Cicely Tyson, Paul Winfield, Kevin Hooks, Janet MacLachlan; and all those who participated in the production of "Sounder" for their contributions to the film; and

Therefore I do highly recommend "Sounder" to all my Colleagues in the Congress and to audiences through the world, and urge that resources of talent, time and money be allocated by the film industry to produce more films of this extraordinary calibre.

#### MARCEL FRANCISCI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, in the May 1971 World Heroin Report issued by Representative ROBERT STEELE and myself, we noted that during the past 10 years every narcotics case in Marseilles, France, involved one of four Corsican families. Marcel Francisci's was one of them.

I was recently advised that Mr. Francisci filed a defamation action against us for what he alleged were unsubstantiated and damaging statements in our report. It seems we are in good company, however. Francisci is also bringing action against Time magazine.

Francisci has been a consistent supporter of Gaullist party candidates over the years. He openly befriended deputies to the Interior Minister in charge of all French police from 1959 to 1967. These deputies, Sanguinetti and Bozzi, are now executives of the Gaullist political party which continues to be supported by Francisci.

Originally a smuggler of American cigarettes, Scotch whisky and silk stockings, Francisci established a legitimate business front in Tangiers in 1948. Early underworld connections came in handy when Francisci decided to neglect his earlier smuggling ventures and concentrate on a more profitable item, heroin.

Francisci already had a legitimate reason for traveling to Beirut, Lebanon in the late 1940's. He had the concession to operate the gambling games at the Casino du Liban. Beirut was interestingly enough the international marketplace for illegal Turkish opium and morphine base.

Francisci met with Lebanon's top racketeer, Samil Khoury, in Tangiers or in the casino in Beirut and cornered the market for the flow of morphine base to Marseilles. Others would later try to move in on his territory but none would meet with his success.

Described as "the financier, the arranger, the fixer," Francisci now disassociates himself from the dirty work of drug dealing. He emphasizes his legitimate businesses—restaurants, construc-

tion companies, shipyards—and desires respectability more than anything. He wishes reporters would stop asking about the heroin trade that originally brought him his millions.

I requested information from Embassy officials in Paris as well as Secretary of State Rogers as to the seriousness of such legal action by Francisci in the French courts. Congressman STEELE and I may be given our day in court to tell what we know about the affable Marcel Francisci. It is personally gratifying to know that our allusion to his role in heroin trafficking disturbed him so.

I would like to quote at some length from the Parisian police files released to me which provide information on Francisci which dates back to 1949. I ask you to be a judge of this man's character:

#### PARISIAN POLICE FILES

Fingerprinted on February 22, 1949, in Marseilles; very important member of an international association of drug smugglers in operation, on the one hand, between the Near East and France for morphine-base, and, on the other hand, between France and North America for heroin. The person concerned is the co-owner of a large cafe in Paris, which facilitates the contact between Lebanese and French smugglers, his establishment being the meeting place for them. He was mentioned as a possible accomplice on the occasion of the seizure of 12,320 G. of heroin on board the ship St. Malo in Montreal, on November 10, 1955. Charged with an act of piracy on the Mediterranean (The Combinette Affair) on October 4, 1952. As of that incident, he has been the subject of the international investigation of O.I.P.C. INTERPOL. He has a tendency to get involved especially in drug smuggling.

Mr. Francisci is not unaware of these assertions, which hurt him more than any of the other suspicions. As a matter of fact, he has to go frequently to Lebanon, and now he fears these trips, hesitating, so he says, to meet even the people with whom he is obliged to get in contact for his interests in the Casino du Liban. He fears that these contacts will be misunderstood.

He strongly denies being present in Indochina, at any period of his life, and also denies being involved in any drug affair.

He mentions at that time the presence in Indochina of a certain Marcel Francisci who is not related to him. He does not know of the above mentioned Marcel Francisci's activities. He mentions also the names of Bonaventure Francisci, who recently died in France. The former is unknown to us. Recently the Paris O.I.P.C. has released an index card concerning Bonaventure Francisci, born on August 16, 1917, at Cauro (Corsica), and who is said to be an airplane pilot. The following facts were noted about him.

He is an important member of an international drug ring operating in different southeastern Asiatic countries. He was under the surveillance of the authorities in Hong Kong due to his relationships and contacts with drug smugglers in that city. From 1947 to 1951 he was investigated for attempted burglary, swindling, theft and embezzlement of seized objects and for illegal possession of guns. He was suspected to be the perpetrator of an assassination in Saigon on July 1, 1954. He is also suspected of aiding and abetting regarding the smuggling of forged \$100 bills in American currency. Is known as an individual having a tendency for drug smuggling. A criminal file of the Central Index Cards Service of P.N. mentions that, being director of the airline company Laos Air Co., he used to smuggle opium from Hong Kong to Laos, in Cambodia and Thailand. Moreover, a plane had been inter-

cepted by the police services in Indochina, and Bonaventure Francisci was not investigated in connection with this matter.

Finally, we note also that the service for the repression of drugs of the "Prefecture de Police" has no other information except the information furnished by O.I.P.C.

In brief, taking into consideration the information collected as well as the "Prefecture de Police" and the Central Index Card Service of the National Police, it is not possible to say that Marcel Francisci was involved at a certain time in such a matter. However, the Central Office could be in the position to indicate if there were charges against him.

Evidently, the criminal associations which are running drug smuggling operations all over the world are financed by individuals who dispose of big amounts of money and who always remain hidden, but make large profits.

Can we draw the conclusion that Marcel Francisci could be considered such an individual. Only the sources of our information can confirm or invalidate this assertion.

#### MASS TRANSIT HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, as chairman of the newly created Subcommittee on Urban Mass Transportation of the House Banking and Currency Committee, I am pleased to announce that the subcommittee will hold hearings on pending mass transit legislation next Wednesday and Thursday, March 21, and 22, in room 2128 Rayburn Building.

We intend to consider H.R. 5424, which I have sponsored and a companion bill, H.R. 2734, introduced by 21 members of the Banking and Currency Committee.

These bills would provide \$800 million in operating assistance to the Nation's mass transit systems over the next 2 years. They also would authorize an additional \$3 billion in capital grant authority for the Urban Mass Transportation Administration and increase the Federal share for capital grants from a discretionary two-thirds to a mandatory 80 percent.

We, of course, will also be considering the administration's urban mass transit recommendations which, I understand, will be introduced shortly.

#### DAYTONA CLASSIC MOTORCYCLE RACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 5 minutes.

Mr. HENDERSON. Mr. Speaker, azaleas were blooming in the Daytona Beach, Fla., area this past weekend signaling the coming of the spring season. The Daytona Classic 200-Mile Motorcycle Race, sanctioned by the American Motorcycle Association, was run on Sunday. For the motorcycle world this event most assuredly heralded the beginning of motorcycle racing for another year.

It was a distinct and novel experience for me to attend this classic, it being my first. I went with my three sons and I am sure our colleagues would agree, it is a

rare occasion for a Member of Congress to share the pleasure of a full weekend with all of his children.

There were 61,200 persons in attendance at the Daytona International Speedway, when Jarno Saarinen of Finland won the 200-Mile Classic, as the first foreigner since 1950 to win America's richest motorcycle race. This record crowd was an increase of over 20,000 from last year's event.

The Daytona 200 truly is the world's biggest and most important motorcycle road race. Many more international machines and riders were entered this year. It was noted that seven brands from foreign countries were among the first 30 machines to finish.

I closely observed the racing team from England, riding factory Nortons. Managed by Frank Perris, of world renown in his own right, the riders were Peter Williams, a second generation engineer, and John Cooper, both experienced beyond their youthful years. The newly developed monocoque framed machine designed and ridden by Williams finished its first race; a rather remarkable accomplishment. Their mechanics, Peter Pychett and Reg Paynter rounded out the team, and their professional competence was much in evidence. More striking and impressive, however, each of the team was truly an ambassador of England, which through the years has given the world great motorcycle racing competition.

The American Motorcycle Association is composed of over 200,000 individual members, and is active in every facet of motorcycle activity. Its executive director, Russ March, his assistant, Ed Youngblood, and the promoters of the Daytona International Speedway, Bill France, Sr. and Jr., extended me every courtesy upon learning of my plans to attend. They arranged for me to get into the garages and into the racing pits, affording me a unique opportunity to observe the tremendous amount of in-depth preparation by the manufacturers the mechanics and racers in preparing the bikes for the competition. It was here that the sweat of their brows mixed with the fumes of the gasoline and the grim of oil, as the teams gave untiring efforts to ready their racing machines for the speed and endurance to run 52 laps of the 3.8-mile paved course.

On Saturday a novice race was run, and I considered it of great significance that a 20-year-old, Gary Lee Blackman of Emmaus Pa., was the winner in his first time riding in competition. The novice-type race is well established in the United States and is drawing international attention. Chairman Dennis Poore of Norton-Villers Motorcycle Co. of England said that the AMA was to be commended for encouraging competition in novice racing. He also complimented American motorcycle racing as sponsored by the AMA, in that it is not simply a spectator event, what with involvement of the manufacturer, the motorcycle dealer, the novice and the professional riders, giving the United States the best balanced program in the world.

Finally, Mr. Speaker, I comment to my colleagues in the Congress because of the clearest single impression I received. The thousands of young—and not so young—motorcycle riders in the Daytona Beach area were well behaved, well mannered, and enthusiastic Americans, enjoying their sport or recreation, as literally millions of us do in other areas more familiar than motorcycling.

I commend everyone in the motorcycle industry, and especially the AMA in its sponsorship and the Daytona International Speedway in its promotion of one of America's truly international competitive sporting event.

#### LAKE ERIE AND THE ADMINISTRATION'S BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, today, Thursday, March 15, and tomorrow, there is an Interstate Legislative Committee meeting on Lake Erie being held here in the House Office Buildings.

This Interstate Legislative meeting on Lake Erie is an important chance for the State legislators and the Members of Congress from the Lake Erie Basin to point out to the administration and to their own State governments the serious effect of the fiscal year 1974 Federal budget on Lake Erie. Unless we take corrective action, the administration's new budget could seriously delay our attack on Lake Erie problems.

I think we should also point out to the administration and to our various State governments, that the fiscal year 1974 budget violates the spirit and could violate the letter of the Great Lakes Water Quality Agreement which the President signed exactly 11 months ago in Ottawa. If the administration does not provide—in coordination with the States—special priority allocations to the Great Lakes Basin, then we will be breaking our word with Canada and the agreement will be just a scrap of paper. The President's word and the Nation's commitment can, however, be kept if the administration and the States will, within the proposed budget, give special emphasis to the problems of the lakes. To keep our word with Canada and to save our lakes, we need a renewed commitment of research and construction dollars in the Great Lakes Basin.

#### THE ESTABLISHMENT AND IMPLEMENTATION OF WATER QUALITY STANDARDS

In my opinion, the Congress has fulfilled a major portion of the Ottawa Agreement by passage over the President's veto of Public Law 92-500, The Federal Water Pollution Control Act Amendments of 1972. The implementation of this act will, by the mid-1980's, substantially eliminate the entry of new pollutants into the lakes. How effectively we will be able to control erosion, sediment, nutrient "run-off" and natural waterfall runoffs which become polluted are questions which must still be answered. Restoration work to restore

the quality of our lake, the most polluted of the lakes, is also a must.

Every effort must also be made to establish a range of minimum and maximum water levels on the middle Great Lakes. Minimum water levels will not only protect shipping and recreation interests, but will insure a volume of water in the lakes to help dilute the effects of pollutants. Maximum water levels will protect communities and homeowners from erosion and flooding and reduce the harmful sediment and siltation entering the lakes due to erosion caused by high waters.

But the standards set by Public Law 92-500 offer the hope and the chance—for the first time—of saving the lakes. These standards certainly meet the water quality objectives established by article II of the Ottawa Agreement. Article V requires that these standards either be implemented or in process of implementation by December 31, 1975.

#### IMPLEMENTATION OF WATER QUALITY STANDARDS

Restoration of the Great Lakes requires money—enormous sums of money—more money than most of the cities along the lakes, or their States, can afford. It is here that the administration's budget fails so miserably. It is worth noting here that in response to an inquiry from my office, the American Law Division of the Library of Congress states that the water quality requirements of Public Law 92-500 must be met, regardless of the level of Federal financial support and assistance.

To assist State and local governments to meet the requirements imposed by Public Law 92-500, the Congress authorized a total of \$18 billion over a 3-year period. But, despite demonstrated need, the administration intends to spend only \$5 billion in the combined fiscal years 1973 and 1974. This follows a total National expenditure of \$2 billion in fiscal year 1972. No one at EPA is even guessing how much will be available in fiscal year 1975. In other words, through impoundment, the administration has crippled the Nation's fight against pollution.

It is important to note here that the Ottawa Agreement provides that the two Governments commit themselves to seek "the appropriation of the funds required to implement this agreement, including the funds needed to develop and implement the programs and other measures provided for in article V, and the funds required by the International Joint Commission to carry out its responsibilities effectively."

In newspaper coverage from Ottawa on April 15, it was reported that the cost to the United States to meet the standards of the agreement by the end of 1975 would be \$3 billion: \$2 billion from Federal, State, and local governments, and \$1 billion from industry. Because of significant increases in the Federal grant share provided by Public Law 92-500, as well as inflation and cost overruns on projects, the Federal commitment should be about \$2 billion.

Given the administration's restrictive budget and impoundments, will it be possible for the United States to meet:

First, the identified needs of the Great Lakes Basin?

Second, its commitment to the Ottawa Agreement?

First of all, it should be clearly stated that there is absolutely no relation between the true needs of the Great Lakes Basin and the needs which the administration recognizes and "promises to solve" through the Ottawa Agreement. The true needs dwarf the administration's recognition of the problem.

But I believe that the Ottawa Agreement has great potential for solving the problems of our lakes—and because of the chaos in the administration's budget, it is important to keep the Ottawa Agreement in mind, since at least it promises our region of the country a minimum level of pollution control assistance—a promise given to no other region of the Nation.

#### WHAT IS THE TRUE NEED OF THE GREAT LAKES BASIN?

The following table shows the allocations which EPA has made for the Great Lakes States—an area much larger than the Basin.

Table II uses data from the conference report to Public Law 92-500, supplied to the Congress by EPA. These figures represent what EPA estimated to be the total waste treatment construction need in the Great Lakes States. I have also provided a column which shows what percent the allocations in table I are of the EPA estimated need listed in table II. As you can see, the allocation is only one-half the need for the time period, fiscal year 1972-74.

The tables follow:

TABLE I.—ALLOCATIONS FOR WASTE TREATMENT CONSTRUCTION GRANTS, FISCAL YEARS, 1972-74

[All figures in millions]

Great Lakes Basin States	1972	1973	1974	Total
Illinois.....	\$105.9	\$125.0	\$187.5	\$418.0
Indiana.....	50.0	67.3	101.0	218.3
Michigan.....	84.8	159.6	239.4	483.8
Minnesota.....	36.9	40.6	61.0	138.5
New York.....	172.9	221.1	331.7	725.7
Ohio.....	101.6	115.5	173.2	390.3
Pennsylvania.....	112.4	108.4	162.6	383.4
Wisconsin.....	42.6	34.8	52.2	129.6
Total.....	707.1	872.3	1,308.6	2,888.0

TABLE II.—EPA ESTIMATED NEED, FISCAL YEARS 1972-74

[All figures in millions]

Great Lakes Basin States	Fiscal years 1972-74 total need	Percent <sup>1</sup>
Illinois.....	\$910.0	45.9
Indiana.....	490.2	44.5
Michigan.....	1,162.3	41.6
Minnesota.....	295.9	46.7
New York.....	1,610.3	45.0
Ohio.....	840.8	46.4
Pennsylvania.....	789.5	48.5
Wisconsin.....	253.6	51.0
Total.....	6,352.6	45.4

<sup>1</sup> Total allocation from EPA as a percent of total need determined by EPA.

The fact that the allocation falls woefully short of the need can be seen by the long lists of priority construction

projects submitted by the States to the EPA and the limited number which EPA will fund. For example, I am told that New York State submitted a priority list of 180 projects—of which about 30 will be funded. In light of Michigan's total allocations, it will be extremely difficult for her to fund the desperately needed \$193 million facility at Detroit, a facility which is vital to the clean up of Lake Erie.

In my own State of Ohio, the State's EPA released its priority list on Monday, March 12. The list includes 126 projects, but because of the limited allocation to the State, only 63 will be funded.

**HOW MUCH OF THIS ALLOCATION AND HOW MUCH OF THIS NEED SHOULD BE ATTRIBUTED TO THE GREAT LAKES WATERSHED OR BASIN?**

Since pollution control needs are generally related to population, I have calculated the population of the Great Lakes Basin and compared that figure to the population of the Great Lakes States. The formula follows:

Thus,

29,300,000 persons in basin  $\times$   
74,000,000 persons in States

$$\frac{X \text{ [EPA allocation to basin]}}{\$2,888,000,000 \text{ EPA State allocation}}$$

EPA allocation to basin equals \$1,144,000,000.

And

29,300,000 persons in basin  $\times$   
74,000,000 persons in States

$$\frac{X \text{ [EPA estimate of basin needs]}}{\$6,400,000,000 \text{ EPA State allocation}}$$

EPA ESTIMATE OF NEED IN BASIN EQUALS  
\$2.515 BILLION

Using these proportions, EPA's allocation to the basin is about 45 percent of its need.

My staff and I attempted to check these figures by actually calculating the grants which went to each of the Great Lakes States in: First, fiscal year 1972 and second, in the first 3 months—July through September—of fiscal year 1973. Then using EPA's own computer printout of grant awards, we attempted to determine which grants went to counties which fell within the Great Lakes watershed or basin.

Following is the results of the study. I might add here that the reason the fiscal year 1972 total grant awards is considerably lower than the \$707 million figure provided by EPA is that many of the fiscal year 1972 awards were actually made late in December of 1972. Despite the discrepancy in totals, I believe that the ratio of grants going to the basin as compared to the whole State will be of interest:

[All figures in thousands]

Great Lakes Basin States	Fiscal year 1972		Fiscal year 1973	
	Total	Basin	Total	Basin
Illinois.....	\$56,729	\$48,458	\$10,303	\$10,303
Indiana.....	4,804	2,671	0	0
Michigan.....	98,165	98,165	30,931	30,931
Minnesota.....	5,572	78	13,309	480
New York.....	139,341	37,727	378	0
Ohio.....	52,990	22,239	8,246	5,180
Pennsylvania.....	34,600	319	28,720	0
Wisconsin.....	28,128	13,820	5,584	2,901
Total.....	420,329	223,477	97,471	49,795

This table shows a higher percentage of grants—about 51 to 53 percent—going to the basin area. But the general finding is the same: Only about half of the money allocated to the Great Lakes States goes to solving the problems of the Great Lakes. Therefore, when the EPA presents glowing data on the allocations to the Great Lakes States, the question we should ask is how much will actually go into the basin and help the lakes.

These figures on need have already proven that the commitment given at Ottawa is inadequate. These figures show that we must do everything in our power to require a higher level of appropriations and obligations for the waste treatment program.

The figures on how much will actually be spent in the Great Lakes Basin indicate that even the commitment given at Ottawa will barely be kept. It is my understanding that the EPA presentation tomorrow may offer a rosy picture, one that predicts the fulfillment of the Ottawa agreement. Looking again at table I, EPA states that it will allocate \$872 million in fiscal year 1973 and \$1,308 million in fiscal year 1974 to the Great Lakes States. We have found that approximately half of that, or \$1,090 million will probably go to the Great Lakes watershed. Let us assume that the administration will actually spend another \$3 billion in fiscal year 1975 and \$2 billion in half of fiscal year 1976—a total of an additional \$5 billion nationwide, prior to the date that article V is to be in effect. If we are lucky, that will mean another \$1,090 million to the Great Lakes Basin—or a grand total of \$2.2 billion.

Thus it appears that the Ottawa agreement—as inadequate as it is—can be kept. But only if each of the States in the Great Lakes Basin gives priority emphasis to projects in the Great Lakes watershed. That is the job for the State Governors and State legislators. The job for us in Washington will be to do everything in our power to fulfill the authorizations provided by Public Law 92-500; to provide the funds needed to meet the actual needs of the Nation and, in particular, of the Great Lakes.

There are other areas where the administration's fiscal year 1974 budget slows up our attack on Lake Erie problems.

**POLLUTION FROM DREDGING ACTIVITIES**

Anyone looking at the Cuyahoga, the Buffalo, or the Detroit Rivers recognizes that they are polluted—as is the mud from the bottom of these rivers. Therefore, dredging these rivers and then dumping these dredgings out into the cleaner parts of the lake merely stirs up the pollution a second time and spreads it over a farther area.

Of the 10.8 million cubic yards of material dredged from Great Lakes harbors each year, 63 percent comes from Lake Erie harbors and the disposal of these dredgings in the open waters of the lake would account for 8 percent of the total sediments and dissolved solids reaching the lake. In 1967, 660,000 tons of dry solids were dredged from Cleveland Harbor. It is estimated that this material contained 17,600 tons of oil and grease.

If this material is stirred up and dumped in the open waters of the lake, it obviously is a serious source of additional pollution.

After a great deal of prodding, and support from the Public Health Service, the corps recognized this problem and began a program of diked disposal sites where these polluted dredgings could be placed. The commitment of the two Governments to solving the problem of polluted dredgings is described in paragraph "f" of article V and in greater detail in annex 6.

The Corps of Engineers had originally planned to spend \$70 million on polluted dredgings control activities on the Great Lakes. In fiscal year 1973, the expenditure was cut from \$35 million to \$19 million, with \$16 million transferred to fiscal year 1974. The fiscal year 1974 budget requests only \$7 million in new money for the program, further delaying this pollution control effort.

**EUTROPHICATION**

The agreement provides for the control of inputs of phosphorus and other nutrients including programs to reduce the phosphorus "load." This part of the agreement was one of its most disappointing sections. Annex 2 to the agreement states that the phosphorus loadings to Lake Erie are to be reduced from 31,200 tons per year in 1971 to 16,100 tons in 1976. Yet the annex also notes that "available evidence" suggests that phosphorus loadings may have to be reduced to 8 to 11,000 tons per year if the lake is to begin its recovery. Thus the initial agreement was woefully inadequate.

While the phosphorus question is not an item involving the budget, it is interesting to note that the administration, through the Federal Trade Commission, has given up in its efforts to require "pollution warning" labels on detergents. Thus the shopper will have little "incentive" to buy safe, but nonpolluting soaps and detergents—and the taxpayers will be subsidizing the detergent industry by paying for the removal of phosphorus at the waste treatment stage.

It has been reported that where local efforts have been started to eliminate phosphorus detergents through the use of safe replacements, there has been a rapid and noticeable decline in the phosphorus load on the water. I would hope that the various States of the Great Lakes Basin, as well as the Congress would continue to seek ways to remove phosphorus from detergents and replace it with some new, safe products. It is obvious that we in the Great Lakes States will have to do more to remove phosphorus than is required in the Ottawa Agreement if we are to save our lakes.

**CONCLUSION**

In sum, the Great Lakes Agreement and the passage of Public Law 92-500 offer us a chance to save our lakes—but we will have to be on guard, both in the Congress and in the State capitols, to insure that the agreement and the law is carried out and properly funded. At the present time, budget cut-backs have even delayed the staffing of the American component of the International Joint Commission offices. The budget fight,

therefore, will be a difficult and long struggle, but it will be one of the most important and worthy efforts which we can make.

**BURKE REINTRODUCES BURKE-RIBICOFF TAX CREDIT PROPOSAL WITH COSPONSORS**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, in the opening days of the session, Senator RIBICOFF and myself introduced companion measures in the House and Senate H.R. 49 and S. 250, respectively, to provide a parent with a direct income tax credit of up to \$200 for each child's tuition at a nonprofit, private elementary or secondary school. The credit would be computed on the basis of 50 percent of tuition expenses up to \$400. Also, to avoid giving unnecessary tax benefit to parents with adjusted gross incomes over \$18,000 the bill provides for a reduction in the amount of the credit as the adjusted gross income of the taxpayer—and his spouse—increases—reduced \$1 for every \$20 of adjusted gross income over \$18,000.

We have introduced this legislation, because the United States faces, a possible crisis as a result of the financial distress being experienced by our more than 21,000 nonpublic schools. Rising costs have forced some nonpublic schools to increase tuition by substantial amounts while countless others operate at enormous deficits. If our Nation's nonpublic schools close, our public school system would absorb their students at an estimated cost of \$5 to \$7 billion per year. This is tremendous cause for alarm for the sole reason that it would increase the already enormous burden borne by the American taxpayer.

Some 5 million American children attend nonpublic schools and if the current trend toward closing continues, it would mean a massive dislocation of our public school system with our central cities, least capable of absorbing a large influx of additional students, suffering the most. The competition nonpublic schools provide, along with the diversity they add to American education is a resource we in the United States should seek to preserve.

This bill is identical to the one tentatively agreed upon by the Ways and Means Committee last session. The cost of the Burke-Ribicoff proposal is substantial, estimated at some \$362 million, but compared to a possible burden of \$5 to \$7 billion in the event our nonpublic schools close, it is clearly a bargain.

Today, I am reintroducing the Burke-Ribicoff proposal with 23 additional co-sponsors:

**LIST OF COSPONSORS**

Dominick V. Daniels, Ron de Lugo, John H. Dent, L. H. Fountain, Louis Frey, Jr., Ella T. Grasso, Michael Harrington, Walter B. Jones, Norman F. Lent, Manuel Lujan, Romano L. Mazzoli, Joseph G. Minish, John M. Murphy, Morgan F. Murphy, Robert Nix, Claude Pepper, Bertram L. Podell, Donald W. Riegle, Peter W. Rodino, Robert A. Roe, John F. Seiberling, Victor V. Veysey, Antonio Borja Won Pat, and Margaret Heckler.

**HEW'S PROPOSED SOCIAL SERVICES REGULATIONS**

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, ever since the middle of February, when the Department of Health, Education, and Welfare first proposed regulations which would reduce by 40 or 50 percent the already paltry \$2.5 billion available for social services programs throughout the Nation, I and other Members of Congress have been pressing for congressional action to prevent them from being put into effect.

Yesterday, I and seven other women Members of Congress—MARGARET HECKLER, BARBARA JORDAN, PATSY MINK, YVONNE BURKE, ELLA GRASSO, PAT SCHROEDER, and EDITH GREEN—met with Health, Education, and Welfare Secretary Weinberger for 90 minutes. Also present at this meeting were Georgia McMurray, commissioner of New York City's Agency for Child Development, Rev. C. Leonard Miller, of the Ad Hoc Committee To Save Our Children, a representative of Congresswoman SHIRLEY CHISHOLM, and representatives of the Day Care and Child Development Council of America, the Child Welfare League, and other child care groups.

I am pleased to report that Secretary Weinberger assured us that the new regulations would not go into effect on March 19, which is the deadline for public comments, that changes are going to be made in the regulations, and that it will be at least a month before any attempt to put them into effect is made.

I particularly questioned Mr. Weinberger on two aspects of the proposed regulations: A ban on Federal matching funds for private contributions to child care and other social services programs and the restriction of eligibility to those having incomes no more than one-third higher than State public assistance levels.

In my home community of New York City, the proposed rules would disqualify 20,000 children from day-care centers, deprive them and their families of health services, and sharply reduce the quality of care. In New York, a family of four earning more than \$5,400 a year would be disqualified from federally assisted child care. The result will be to force many working women either to give up their jobs and go on welfare or leave their children under makeshift care with neighbors, or babysitters.

This afternoon, I had the privilege of appearing before the Select Subcommittee on Education, chaired by JOHN BRADEMAS, to present my views on the proposed regulations. The full text of my statement follows:

**TESTIMONY OF CONGRESSMAN BELLA S. ABZUG**

Mr. Chairman, I would like to express my deep appreciation at your prompt response to my request that you hold public hearings on the Health, Education and Welfare Department's proposed new regulations covering state and local administration of federally assisted social service programs under the amended Social Security Act.

The regulations have aroused tremendous concern and opposition in New York City

and across the country because of the drastic cuts they will impose on social service programs.

It has been estimated that of the 10 million people now being served by these programs, 3.8 million will be adversely affected by the Nixon Administration's hard-line cut-back of federal assistance.

We have been protesting the \$2.5 billion federal ceiling on social services as an unacceptable reduction of funds for essential programs. Early in this session I introduced legislation to exempt child care programs from the federal ceiling. Now the Administration is exceeding Congressional authority and is planning to squeeze about another \$1 billion to \$1.3 billion out of these programs for working mothers and people in need.

The new regulations are designed to save money at the cost of making life immeasurably more difficult for working parents, especially women, their children, the elderly, the handicapped, addicts, and others receiving assistance under these programs.

New York City has one of the largest child care programs in the nation, serving about 40,000 children, but even this is woefully inadequate to meet the needs of thousands of working parents. Under the proposed new regulations, however, at least 20,000 of these children will no longer be eligible for federal reimbursement. The proposed restriction of eligibility to those with incomes no more than 133 1/3 percent of state public assistance levels means, for example, that a family of four earning more than \$5,400 will be disqualified. A family of four needs twice that amount to live very modestly in our city, but the government is now arbitrarily saying that even such low incomes are too much to qualify for help.

Federal funds will be cut for Medicaid and health services in day care centers, for day care training programs and for staff to monitor these programs. Quality standards will be lowered. Overall, New York City will lose \$77 million in funds in addition to a great loss in funds imposed by the \$2.5 billion ceiling.

In human terms, these changed regulations will create havoc in the lives of thousands of working women and their young children. Let me give you one example from a letter which I delivered personally to HEW Secretary Caspar Weinberger from a mother of two, whose younger child attends Greenwich House day care center in lower Manhattan. This young woman, a college graduate, is employed and is working for an M.A. in higher education. She separated from her husband three years ago and only recently obtained a divorce. During that time she received only limited financial help from her husband.

In her letter to Mr. Weinberger, Janet van Bovenkamp points out that "statistically most divorced men after three years only partially fulfill their financial obligations; after ten years, about 80 percent or 90 percent give no support at all to their prior families. Yet we live in a country where almost one-third of marriages end in divorce." And, she asks: "What happens to the children?"

This young woman writes: "Now what will be the effect on us if the government does not support our day care system? I may consider going on welfare, and many mothers in my situation are—which will increase the federal welfare budget enormously—or I will be forced to find a series of babysitters to care for my child after he has adjusted to a healthy environment. Most probably Brett [her son] will be in an insecure position for the next year and a half—at least. Don't you think he's had enough? We will be financially strapped to the point of cutting into our food budget. I will no longer even be able to supply minimum government food standards to my family, and I will be forced to look for ragged bargains of used clothing." And she pleads, "Do you understand?"

There has been all too little understanding of the needs of working women, their desire for the dignity of a job rather than the welfare dole that forces them into a dead-end, substandard existence, their need for adequate care for their children, their hope that this country out of its enormous wealth will provide the kind of social services that many poorer countries have been making available to their citizens for years as a matter of right.

In New York City last week more than two thousand working mothers and their children demonstrated in front of the HEW's regional office to protest this new assault on their security at the hands of a totally insensitive administration. There will be more of these demonstrations in New York and elsewhere in the country if the proposed regulations are allowed to go into effect.

I believe that the most direct way to stop them is for Congress to enact the Reid bill, of which I am happy to be a co-sponsor. This bill would reinstate the existing HEW regulations. Similar legislation has been introduced in the Senate.

At the same time, we must continue to exert direct pressure on HEW to drop these new proposals. As part of this effort I arranged a meeting on March 13 with Mr. Weinberger and Philip Rutledge, acting administrator of HEW's Social Rehabilitation Services. I think it is indicative of the heavy kind of flak HEW has been receiving on these new regulations that Mr. Weinberger agreed to meet with me and other members of Congress on Capitol Hill.

The meeting, which lasted for ninety minutes and was certainly very amicable in tone, was also attended by Congresswomen Margaret Heckler, Barbara Jordan, Patsy Mink, Yvonne Burke, Ella Grasso, Edith Green, Pat Schroeder and a representative of Shirley Chisholm. Congresswoman Elizabeth Holtzman and Congresswoman Marjorie Holt, who like Ms. Heckler is a Republican, were unable to attend personally but had planned to come to join in our protest.

Representing child care groups and interests were Ted Taylor of the Day Care and Child Development Council, a nationwide organization; Bill Pierce of the Child Welfare League; Marjorie Grosset of the Day Care Council of New York and a parent from that group, Rose Baez; the Reverend C. Leonard Miller of the Ad Hoc Committee to Save Our Children, Carol Lubin of the United Neighborhood Houses, Commissioner Georgia McMurray of New York City's Agency for Child Development, Judy Assmus of the Washington Research Project and Joyce Goldman, editor of the Day Care and Child Development Reports. They were unanimous in their opposition to the new regulations, particularly the restrictions on eligibility and the prohibition on the use of donated private funds to be considered as the state's share in claiming federal reimbursement.

In our meeting with Mr. Weinberger we pointed out that these regulations contradict directly this Administration's professed interest in voluntarism and the "work ethic."

I was dismayed by Mr. Weinberger's insistence that his prime responsibility was to cut federal expenditures. We were encouraged, however, to receive his assurance that the new regulations will not go into effect on March 19, the deadline set by HEW for comments on its proposals. Mr. Weinberger indicated that changes were being made and that it would be at least a month or more after March 19 before the revised regulations become operative. He also said that he would be willing to consider some changes in eligibility requirements and said there would definitely be a revision to allow federal matching dollars for some private funding. In view of Mr. Weinberger's statement that the proposed new regulations are only a "first draft" and that revised regulations will be issued, Congresswoman Patsy Mink made the sug-

gestion, and others present at the meeting concurred, that the HEW should provide another thirty-day period for public comment before putting them into effect. It seems to me that this is the very least we should demand of HEW. As far as we can ascertain, these proposed new regulations were drafted with no consultation with the people they will most directly affect, and this must be changed.

It may seem redundant to state that the Health, Education and Welfare Department, was created to concern itself positively with the health, education and welfare of the American people, but unfortunately it is necessary to do so. The Nixon Administration, as part of a general assault on the living standards of millions of Americans through its proposed budget cuts and impounding of funds, is shifting its emphasis in these regulations to cutting and eliminating social service programs rather than determining what the needs of our people are and finding ways to meet them.

I believe the HEW should open the process of formulating regulations to allow for more input by the public and by affected groups. Open hearings by HEW is one way to provide for this.

I also believe that this subcommittee can continue to play a very constructive role in this area. I would urge you to extend these hearings to other locations so that the committee members can learn first-hand about the terrible effect the proposed regulations will have on so many essential and humane programs. I would certainly welcome your holding a hearing in New York City to allow the many working mothers an opportunity to explain to you their need for a continuation and expansion of child care services.

There is still time for us to stop these regulations. Unfortunately, many authorities around the country are already beginning to cut back on programs and to deny necessary services in the belief that the ax has fallen.

We must continue massive public pressure to compel HEW to alter or drop this proposal altogether, and we must pass legislation to reinstate the old regulations if HEW does not respond.

#### HAPPY BIRTHDAY, MISHA ULMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, Thursday, March 15, is Misha Ulman's 28th birthday.

Misha Ulman is a young Jew living in the Soviet Union. He was trained as a radio engineer, but is now unemployed and living off the charity of his friends. The reason? He sought permission to emigrate to Israel.

Misha and his mother applied for visas to emigrate to Israel in 1971. His mother received her visa with comparatively little difficulty, but Misha was told he would have to wait 2 months before he could get his approval. When the 2 months were up, he was told unconditionally by the Soviet authorities that he would not get a visa.

In the meantime, Bayla Ulman, Misha's mother, left for Israel. She went in the hope that her son would soon be able to join her there. She waited and waited but—no Misha.

Bayla Ulman came to the United States in December 1972, on a visitor's visa. Her purpose was to make people in

this country aware of what was happening to her son. She did receive some publicity, but it soon passed from people's minds.

Misha Ulman faces his 28th birthday in great peril. Because he is not working, he is running the risk of being arrested under the Soviet Union's parasitism law. He will be sent to jail, when the reason for his plight is apparent: The Soviet Union made a parasitism out of him when the authorities refused to grant his application for a visa.

We have all heard much in the past month about the suffering of Jews in the Soviet Union. Misha's case is typical of the injustices visited upon those seeking their freedom in Israel. Not only are they not permitted to leave, but they are harassed and threatened with imprisonment for having had the audacity to ask permission to leave.

I appeal to the officials of the Soviet Union, from Premier Kosygin on down to the lowliest commissars, to let Misha Ulman join his mother in Israel. Let this be the last birthday he will have to spend in Russia. Give him the gift of freedom.

#### THE NEED FOR IMPROVED AND COORDINATED SUPERVISION OF TAX-EXEMPT PRIVATE FOUNDATIONS

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

Mr. PATMAN. Mr. Speaker, today, I am introducing two pieces of legislation that expand and refine two provisions of the Tax Reform Act of 1969 pertaining to tax-exempt private foundations. While, in general, I am in complete agreement with the provisions of the Tax Reform Act of 1969 that pertain to private foundations, I believe these two pieces of legislation are important and necessary refinements of the existing provisions and are vital in the protection of the ultimate beneficiaries of private foundations, the American people.

The first provision amends section 4940 of the Internal Revenue Code by providing that the receipts from the excise tax based on the investment income of private foundations shall be used for the supervision of the activities of such foundations. Section 4940 of the Internal Revenue Code imposes an excise tax of 4 percent on every private foundation's net income. While the term "excise tax" is prominent in the statutory heading of section 4940, I believe that the terms "audit fee" and "service charge" would more accurately reflect the intention of those who, in 1969, sought the imposition of a tax on the net investment income of private foundations. While a change in the description of section 4940 is a necessary and proper technical modification, it should not override the need for a correction of a fundamental procedural fault of the current provision.

The existing language of section 4940 fails to specifically earmark the revenues generated by the excise tax on the net investment income of private foundations for the auditing and supervisory purpose for which it was intended. A tax imposed

on specific entities for supervisory and auditing purposes should not be commingled with the general revenues of the Treasury but should be earmarked, segregated and made available for the specific purpose for which it was levied.

While the aforementioned changes in terminology and the specific earmarking of the revenues are important technical and procedural refinements of section 4940 of the Internal Revenue Code, the most important recommendation made by the provisions I have today introduced is the mandatory sharing of the revenues of this audit fee with the States. Historically, the attorneys general of the States have been charged with the responsibility to represent the interests of the beneficiaries of charitable dispositions. The most careful scrutiny of the provisions of the Internal Revenue Code that pertain to private foundations and exempt organizations will fail to find any language that charges the Internal Revenue Service with the responsibility to enter into proceedings of accounting, construction, and mandatory dissolution of charitable trusts and charitable corporations. The Congress, in its wisdom, has never attempted to impose the supervision of its revenue-raising agent, the Internal Revenue Service, upon the most important, daily supervision of charitable trusts and charitable corporations.

Those who led the way in the search for reform of private foundations were unanimous in their desire for a greater cooperation between the Federal—Internal Revenue Service, and the local—State attorneys general supervisory entities. This cooperation has not been achieved, partly because the Internal Revenue Service has not responded to the call for cooperation by the States, and partly because the States have been financially unable to live up to their responsibility to represent the interests of charitable beneficiaries. The States can justify their failures to exercise this responsibility by pointing to a lack of the necessary funds to perform the supervisory and auditing functions required in the representation of charitable beneficiaries. To ask an attorney general to allocate the limited and valuable budget of his office to the supervision of exempt organizations, as opposed to the fighting of crime and the attack on an escalating drug culture, would be both socially and politically naive.

However, this lack of funds on the State level should not excuse and further postpone the protection of the interests of charitable beneficiaries. The leaders of the foundation community recognize the need for supervision and regulation of private foundations and agree that they should provide for this supervision, both at the Federal and State level. I can think of no better way for the foundation community to express its desire to provide for the needs of public charity, than to provide for the establishment of a coordinated, Federal and State supervision of exempt organizations. Specifically earmarked, "auditing fees" which are made available for the Federal and the State super-

vision of exempt organizations are fees that are most urgently needed and socially desirable.

By requiring that private foundations pay an "auditing fee" which will be specifically earmarked for the Federal and State supervision of exempt organizations, the Federal Government accepts the responsibility to see that the private foundation contribute no more than their "fair share," and that any supervision in excess of those necessary for the Federal and State auditing and supervision of private foundations and exempt organizations should be credited toward future payment of the "auditing fee" levied on the net investment income of private foundations. The foundation community is correct when it states that the moneys it pays, which are in excess of the funds necessary for supervision and auditing, are funds that ordinarily would have been paid out to charity.

Accordingly in the provision I have today introduced, those funds contributed by private foundations in excess of the funds required by the Internal Revenue Service and the State supervisory authorities, will be credited to future payment of the "audit fee." Upon receipt of the credit for overpayment of the "audit fee" the foundations will then be required to add the amount of the credit onto the required payout for that taxable year. In this way, the foundations will be able to pay out to charity all of the funds in excess of those required for the Federal and State auditing and supervision of exempt organizations.

The second bill, I am introducing today, addresses itself toward a loophole or shortcoming in section 4944 of the Internal Revenue Code. Section 4944 was added by the Tax Reform Act of 1969 and was intended to safeguard the funds which tax-exempt private foundations hold in public trust by discouraging investments that carry a high degree of risk. This was accomplished by imposing a tax upon a foundation when it invests any amount in such a manner as to jeopardize the carrying out of its tax-exempt purpose.

This provision has been interpreted as prohibiting or discouraging foundations from trading in "puts" and "calls" and making other speculative investments. Recent events, however, have shown that there are glaring shortcomings with such a narrow interpretation of jeopardizing investments. It is now apparent that the high degree of responsibility which requires the managers and trustees of tax-exempt organizations to exercise the degree of skill, judgment, and care which men of prudence, discretion and intelligence exercise in the management of their own affairs, should make mandatory the diversification of the investments in a foundation's portfolio.

Recent studies by the Subcommittee on Domestic Finance of the Banking and Currency Committee have shown numerous foundations that have an extraordinary amount of their portfolio invested in a single company. Obviously such a concentrated investment entails a much greater risk of loss than a prudently invested, diversified portfolio by basing a foundation's ability to serve its

charitable beneficiaries on the performance of a single company.

One example which demonstrates how the continued holding of a large investment in a single company has brought about tremendous losses for charitable beneficiaries is the John A. Hartford Foundation's investment in the Great Atlantic & Pacific Tea Co. This single holding of A. & P. stock made up 84 percent of all of the Hartford Foundation's assets at the end of 1968, and had a market value of \$297 million, with a yield amounting to 4.55 percent. During the last 10 years, the market value of the A. & P. stock held by the Hartford Foundation has reached as high as \$585 million; however, the present value of the stock is less than \$121 million and dividends on the A. & P. stock have been discontinued.

Another example is Henry Luce Foundation's holding of Time, Inc., stock. In 1968, this holding of Time, Inc., stock had a market value of \$87 million and amounted to 98 percent of all the Luce Foundation's assets. The present value of this holding is less than \$38 million.

These are dramatic, but not isolated, examples of the decline in the market value of the corpus of foundations who have continuously invested their assets in single companies, as opposed to an investment policy of diversification. At the present time, approximately 25 percent of the 50 foundations which had the largest investments in any single corporation in 1968 have experienced a decline in the market value of their portfolios.

The purpose of this bill, which I have introduced, is to see that charitable beneficiaries of private foundations are protected, by requiring prudent, diversified investment programs by private foundations. This bill will require portfolio diversification by limiting the amount of a private foundation's assets which can be invested in any single company to 10 percent of the private foundation's total assets.

In recognizing certain problems associated with the required divestiture of extremely large holdings by certain foundations, the bill allows existing foundations up to 5 years to diversify its portfolio. This 5-year provision will also apply to any new gift or bequest received by a foundation at any future time.

This much needed proposal is not nearly as harsh as some may attempt to make it. Since the passage of the Tax Reform Act of 1969, many foundations, to their credit, have initiated large successful divestiture programs. Some of these programs have exhibited noteworthy innovation and those foundations involved should be recognized for their efforts.

In 1972, the Kresge Foundation divested of 2.5 million shares of the S. S. Kresge Co. through a secondary offering, which realized \$257 million. The Eli Lilly & Co. sold 3 million shares of Eli Lilly & Co. for \$185 million. Some of the other foundations that have divested or have announced plans to divest of at least a portion of their large holdings in single companies included the Robert Wood Johnson Foundation—Johnson & Johnson Co., the Clark Foundation—Avon

Corp., the Danforth Foundation—Ralston-Purina Co., and the Amon Carter Foundation—newspaper and television interests.

The Ford Foundation, which held stock in the Ford Motor Co. valued in 1968 at \$1.7 billion and which made up approximately 46 percent of the total value of their assets, has pursued an aggressive and innovative divestiture program which they hope will have it completely divested of its Ford Motor Co. stock within the next 2 years.

Mr. Speaker, these examples of foundations successfully divesting of large blocks of stocks show that this proposal of mandatory diversification is not feasible. Admittedly, many of these sales were caused more by the provision in section 4942 of the Internal Revenue Code which required the foundations to increase the total yield of their holdings in order to meet the minimum payout provision of that section. Other foundations, however, have voluntarily set upon a course of diversification, because they realize the wisdom and prudence of having a completely diversified portfolio. Unfortunately, there remains many private foundations that have taken no action or made any attempt to protect the interest of their charitable beneficiaries by failing to establish a policy of prudent, diversified investments.

Mr. Speaker, for many years I have been studying the need to insure that the tax-exempt funds held by private foundations are used solely for charitable purposes. While the provisions of the Tax Reform Act of 1969 relating to tax-exempt private foundations were addressed to many major areas of abuse, the provisions I am introducing today will improve and refine the existing provisions and I urge my colleagues to carefully consider these proposals. A copy of the bills introduced follows:

H.R. 5728

A bill to provide that the receipts from the excise tax based on the investment income of private foundations shall be used for the supervision of the activities of such foundations.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. CREATION OF TRUST

##### (a) TRUST FUND.—

(1) **IN GENERAL.**—There is hereby established on the books of the Treasury of the United States a trust fund to be known as the "Trust Fund for the Supervision of Private Foundations" (referred to in this Act as the "Trust Fund"). The Trust Fund shall remain available without fiscal year limitation and shall consist of such amounts as may be appropriated to it and deposited in it as provided in subsection (b). Amounts in the Trust Fund may be used only for (1) the supervision of the activities of private foundations are provided in this Act, and (2) the return of excess amounts to the private foundations as provided in section 4940(d) of the Internal Revenue Code of 1954.

(2) **TRUSTEE.**—The Secretary of the Treasury shall be the trustee of the Trust Fund.

(3) The Secretary of the Treasury shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding year. Each such report shall include a summary of the reports of the State agencies for the

preceding year made to him under section 2(c). Each such report shall be printed as a House document of the session of the Congress to which the report is made.

##### (b) APPROPRIATIONS.—

(1) **IN GENERAL.**—There is hereby appropriated to the Trust Fund, out of money in the Treasury not otherwise appropriated, amounts equivalent to 100 percent of the taxes received in the Treasury after December 31, 1973, under section 4940 of the Internal Revenue Code of 1954 (relating to excise tax based on the investment income of private foundations).

(2) **Method of transfer.**—The amounts appropriated by paragraph (1) shall be transferred from time to time from the general fund of the Treasury to the Trust Fund on the basis of estimates by the Secretary of the Treasury of the amounts received in the Treasury under such section 4940. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

#### SEC. 2. PAYMENTS TO STATE GOVERNMENTS.

(a) **GENERAL RULE.**—The Secretary of the Treasury shall, for 1974 and for each calendar year thereafter, pay out of the Trust Fund to the government of each qualifying State an amount equal to the entitlement of such State (determined under section 3). Such payments shall be made in installments, but not less often than once for each quarter. Such payments for any year may be initially made on the basis of estimates. Proper adjustments shall be made in the amount of any payment to a State government to the extent that the payments previously made to such government under this Act were in excess of or less than the amounts required to be paid.

(b) **QUALIFYING STATE.**—For purposes of this Act, a State shall be a qualifying State for any year if, before the beginning of such year, such State establishes to the satisfaction of the Secretary of the Treasury (1) that it will have in operation throughout such year a State agency which will audit the private foundations over which such State has jurisdiction and will exercise substantial supervision over their activities to ensure that such private foundations will promptly and properly use their funds for charitable purposes, and (2) that it will comply with subsection (c).

(c) **REPORTS.**—Each State shall, for each year for which it receives funds pursuant to this Act, make a report to the Secretary of the Treasury before February 1 of the following year. Such report shall include—

(1) a full accounting for the funds received by such State during the year.

(2) a detailed description of the activities of the private foundations supervised by the State, and

(3) such other information relating to private foundations within the jurisdiction of the State as the Secretary of the Treasury may by regulations prescribe.

#### SEC. 3. ENTITLEMENT OF STATES.

(a) **BASIC AMOUNT.**—Each State which is a qualifying State for a year shall be entitled to receive for such year a basic amount of \$250,000.

(b) **ADDITIONAL AMOUNT.**—Each State which is a qualifying State for a year shall be entitled to receive for such year (in addition to the basic amount) an amount which bears the same ratio to—

(1) the excess of (A) 50 percent of the amount appropriated to the Trust Fund for such year under section 1(b), over (B) the sum of the basic amounts payable to qualifying States for such year under subsection (a) of this section, as

(2) the aggregate fair market value of the noncharitable assets of all the private foundations which have their principal place of

business in that State bears to a similar aggregate fair market value determined for all the qualifying States.

##### (c) **VALUATION DATE; NONCHARITABLE ASSETS.**—For purposes of subsection (b) (2)—

(1) **VALUE DETERMINED.**—Fair market value for any year shall be determined as of the first day of such year.

(2) **NONCHARITABLE ASSETS.**—The noncharitable assets of any private foundation are all of the assets of the foundation except those being used (or held for use) directly in carrying out the foundation's exempt purpose.

#### SEC. 4. SUPERVISION BY INTERNAL REVENUE SERVICE.

(a) **ONE-HALF OF TRUST FUND AMOUNTS MAY BE USED BY INTERNAL REVENUE SERVICE.**—Not to exceed 50 percent of the amount appropriated to the Trust Fund for any period may be used, as provided by appropriation Acts, by the Internal Revenue Service to supervise compliance with the provisions of chapter 42 of the Internal Revenue Code of 1954 (relating to private foundations) or otherwise to supervise the activities of private foundations.

(b) **EXCESS AMOUNTS MAY BE USED BY STATE AGENCIES.**—If, for any period, the Secretary of the Treasury determines that the full amount which may be appropriated under subsection (a) exceeds the amount needed by the Internal Revenue Service to carry out the supervision set forth in subsection (a), he shall certify to the House of Representatives and to the Senate the amount which he determines to be in excess of the needs of the Internal Revenue Service. Any amount so certified may be appropriated for distribution to the State agencies of qualifying States in the same proportion as additional amounts are apportioned among the States under section 3(b) for the year in which the certification of the Secretary of the Treasury is made.

#### SEC. 5. SECTION 4940 AMOUNTS NOT NEEDED FOR SUPERVISION TO BE RETURNED TO PRIVATE FOUNDATIONS.

(a) **CREDIT OR REFUND OF EXCESS AMOUNTS.**—Section 4940 of the Internal Revenue Code of 1954 (relating to excise tax based on investment income) is amended by adding at the end thereof the following new subsection:

(d) **Credit or Refund of Excess Amounts to Private Foundations.**—

(1) **IN GENERAL.**—If, at the close of the taxable year, the balance in the Trust Fund for the Supervision of Private Foundations exceeds an amount equal to 25 percent of the aggregate amount expended out of such Trust Fund during such year for supervision by the State agencies and the Internal Revenue Service of the activities of private foundations, then such excess shall be returned to the private foundations as provided in this subsection.

(2) **CREDIT OR REFUND.**—There shall be allowed to each private foundation, as a credit against the tax imposed by this section for the taxable year, an amount equal to such private foundation's pro rata share of any excess determined under paragraph (1) for such year. If, in the case of any private foundation, the amount of any credit under the preceding sentence for the taxable year is greater than the amount of the tax imposed by subsection (a) for such year, the amount by which such credit exceeds such tax shall be considered an overpayment of tax for such year.

(3) **PRIVATE FOUNDATION'S PRO RATA SHARE.**—For purposes of paragraph (2), the pro rata share of any private foundation of any excess determined under paragraph (1) for the taxable year shall be an amount which bears the same ratio to such excess as (A) the aggregate amount payable under subsection (a) of this section by the private

foundation for the taxable year and all prior taxable years beginning after the last taxable year for which an excess was returned to the private foundations under this subsection bears to (B) a similar aggregate determined for all private foundations."

(b) CREDIT OR REFUND TO BE TREATED AS DISTRIBUTABLE AMOUNT.—Section 4942(d) of the Internal Revenue Code of 1954 (defining "distributable amount" for purposes of the taxes on failure to distribute income) is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof", and increased by", and adding after paragraph (2) the following new paragraph:

"(3) the aggregate amount credited or refunded to the private foundation for the taxable year under section 4940(d)."

#### SEC. 6. MEANING OF TERMS.

(a) STATE.—For purposes of this Act, the term "State" includes the District of Columbia.

(b) YEAR.—For purposes of this Act, the term "year" means the calendar year.

#### H.R. 5729

A bill to amend the Internal Revenue Code of 1954 to require private foundations to diversify their holdings

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4944 of the Internal Revenue Code of 1954 (relating to taxes on investment which jeopardize charitable purpose) is amended by adding at the end thereof the following new subsection:*

#### (f) Failure To Diversify Portfolio.—

"(1) Treated as jeopardizing charitable purpose.—For purposes of this section, on each day on which a private foundation fails to dispose of any nondiversified holding such foundation shall be treated as making an investment, in an amount equal to the amount of such nondiversified holding, in such a manner as to jeopardize the carrying out of its charitable purposes.

"(2) Nondiversified holding defined.—For purposes of this subsection, the term 'nondiversified holding' means the amount (if any) by which the value of the private foundation's holdings of stock and debt obligations of any corporation exceed 10 percent of the value of the total assets of the private foundation.

"(3) Determination date.—For purposes of this section, the amount of the nondiversified holding of a private foundation in any corporation for any period shall be determined—

"(A) in the case of the taxes imposed by subsection (a) for any year (or part thereof), on the day in the year (or part thereof) on which the amount of the nondiversified holding was the greatest, or

"(B) in the case of the taxes imposed by subsection (b), on the day in the correction period on which the amount of the nondiversified holding was the greatest.

"(4) Short-term nondiversification to be disregarded.—Paragraph (1) of this subsection shall not apply to the holdings of any private foundation in any corporation until such foundation has had nondiversified holdings in such corporation on each of at least 180 days occurring after the date of the enactment of this subsection.

"(5) 5-year period to dispose of present holdings.—This subsection shall not apply to stock and debt obligations held by the private foundation on March 1, 1973, until the date which is 5 years after the date of the enactment of this subsection.

"(6) 5-year period to dispose of gifts, bequests, etc.—If, after March 1, 1973, there is an increase in the holdings of stock and debt obligations (other than by purchase by the private foundation) held by a private foundation, this subsection shall not apply to the stock and debt obligations rep-

resenting such increase until the expiration of 5 years after the later of—

"(A) the date of the enactment of this subsection, or

"(B) the date on which such increase in holdings occurs.

"(7) Controlled group of corporations treated as one corporation.—For purposes of this subsection, all corporations which are component members of the same controlled group of corporations (within the meaning of section 1563) shall be treated as one corporation."

#### TERMINATION OF U.S. PARTICIPATION IN SEATO AND CENTO

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

Mr. BINGHAM. Mr. Speaker, I am today introducing a House resolution expressing "the sense of the House" that the U.S. Government should give the requisite notice of its intention to terminate its participation in the SEATO treaty organization and in the three bilateral agreements—with Pakistan, Turkey and Iran—which were entered into in 1959 pursuant to the Baghdad Pact—CENTO. This would, no doubt, have the effect of bringing the SEATO and CENTO organizations to an end.

These treaties are anachronistic relics of the frigid period of the Cold War. At the opening session of the Southeast Asia Conference at Manila on September 6, 1954, Secretary of State John Foster Dulles said:

We have come here to establish a collective security arrangement for Southeast Asia. . . . We are united by a common danger, the danger that stems from international communism and its insatiable ambition.

He spoke of "the vast land armies of which international communism disposes in Asia," and he made no distinction between Soviet Russia and mainland China.

The atmosphere was the same when the original Baghdad Pact between Iraq and Turkey was signed in 1955 and when the United States joined with Iran, Pakistan, Turkey and the United Kingdom in the Declaration of July 28, 1958, affirming that the need for the Baghdad Pact was "greater than ever" and indicating that the United States was in effect joining the so-called Central Treaty Organization. Pursuant to that Declaration, on March 5, 1959, the United States entered into bilateral agreements with Pakistan, Iran and Turkey providing for "such appropriate action, including the use of armed forces, as may be mutually agreed upon" in the event of aggression.

The SEATO treaty and each of these bilateral agreements provide that any of the parties may terminate its participation on one year's written notice. My resolution would express the "sense of the House" that such notice should now be given in each case.

In contrast to the relatively clear-cut commitments of the NATO treaty, the obligations of the parties under the SEATO and CENTO agreements are vague and uncertain. As might have been expected, they have been interpreted in very different ways by the signatories. For example, the United States has argued that its participation in the Vietnam war was required by its SEATO commitment, while Britain and France,

also signatories to the SEATO treaty, saw no such obligation in the treaty. Such vagueness is dangerous: it creates uncertainty and hence instability.

It is high time that the United States should rethink the question of whether these treaties are desirable or not. They should not be allowed to stay on the books just because to do so is to follow the line of least resistance.

Why, for example, should the United States today have a separate treaty with Pakistan? The treaty with Turkey would seem to be superfluous since Turkey is a member of NATO. With respect to Iran, there is perhaps a reason for a mutual defense agreement, since we have enjoyed an exceptionally close relationship with Iran for many years. But if so, the agreement should be clear and specific, and not subject to the danger of conflicting interpretations.

All of these questions should be re-examined, especially in the light of our new relationships with the Soviet Union and the People's Republic of China.

My principal purpose in introducing this resolution is to stimulate such re-examination. I hope that hearings on the resolution will be held by the appropriate subcommittees of the Foreign Affairs Committee, preferably sitting jointly.

The text of the resolution follows:

#### H. RES. 311

House Resolution Expressing the sense of the House of Representatives that the United States terminate its part in SEATO and CENTO

Whereas, the Southeast Asia Collective Defense Treaty (SEATO) and the agreements of March 5, 1959, between the United States and Pakistan, between the United States and Iran, and between the United States and Turkey (entered into pursuant to the Declaration of July 28, 1958, concerning the Baghdad Pact (CENTO)) each provide that a signatory government may cease to be a party to the treaty or agreement one year following written notice to that effect, and

Whereas, the parties' obligations and commitments under these treaties and agreements are vague and have been variously interpreted by the signatory governments, and

Whereas, these treaties and agreements have outlived any usefulness they may once have had: Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that:

(1) The United States Government should promptly deposit written notice, in accordance with Article X of the Southeast Asia Collective Defense Treaty (TIAS 3170) of its intention to cease being a party to the treaty at the end of one year; and

(2) The United States Government should promptly give written notice, in accordance with the provisions of the three bilateral agreements of March 5, 1959, with Pakistan (TIAS 4190), with Iran (TIAS 4189) and with Turkey (TIAS 4191), entered into pursuant to the Declaration of July 28, 1958, respecting the Baghdad Pact, of its intention to terminate such agreements at the end of one year.

The following article by the distinguished columnist Clayton Fritchey is highly pertinent:

[From the Washington Post, Feb. 27, 1973]

#### GIVING SEATO THE BYRD (By Clayton Fritchey)

WASHINGTON.—Sen. Robert Byrd (D-W. Va.) is the assistant majority leader of the U.S. Senate. He is a capable but provincial

politician; until a few days ago he was never known to express an opinion on foreign policy. Hence, it is all the more astonishing to hear him make one of the most constructive of all Vietnamese post-cease-fire proposals.

He thinks it's time for us to withdraw from the Southeast Asia Treaty Organization—the mischievous SEATO that has meant nothing but trouble for the United States since former Secretary of State Dulles invented it almost 20 years ago to legalize American meddling in Asian affairs.

Sen. Byrd, stating it politely, says the treaty hasn't served U.S. interests. And he adds: "All SEATO has done is talk. The pact has no power to unite its members in efforts to maintain peace and security, and thus fails its basic purpose."

Actually, it has tempted the U.S. to disturb the peace rather than maintain it. So now is the time, following the lead of some of the treaty's other signatories, to get out—before it leads us into more Asian misadventures.

With possibly one or two exceptions, none of the other members of SEATO has ever had much use for the treaty. It has never really been what its name implies, for aside from Thailand, no Southeast Asian nation would join it.

Britain and France reluctantly joined in order to humor Washington. Australia and New Zealand came in because they depend on the U.S. to protect them. Thailand and the Philippines are quasi-U.S. satellites. Pakistan, at the time, was also one of our client states.

Although Washington has for years invoked SEATO as legal authority for intervening in South Vietnam, it should be noted that the Saigon government is not a signatory. Indeed, the treaty doesn't even recognize the existence of a state of South Vietnam, but only of a state of Vietnam, which, under the 1954 Geneva agreement, meant Hanoi.

It wasn't until after the U.S. began sending in ground troops that former President Johnson suddenly discovered (in 1966) that under SEATO we had to defend South Vietnam. "We are in Vietnam," the late President proclaimed, "because the United States and our allies are committed to meet the common danger of aggression in Southeast Asia."

This was news to our allies. The other major signatories of the treaty—Britain, France and Pakistan—have never recognized any obligation to help Saigon. Pakistan, in fact, has since withdrawn from SEATO. France is inactive.

The new Prime Minister of New Zealand, who feels SEATO has "atrophied," says, "We need an organization which brings countries together rather than separates them, as SEATO does." Australia also is close to withdrawal.

Sen. Byrd can render a real public service if he now goes on to show how the American people were deceived into thinking that SEATO imposed on them, a sacred commitment to fight for Vietnam. That question ought to be clearly settled, so that it can never be exploited again.

The question first arose when the treaty was before the U.S. Senate in 1955 for ratification. The then chairman of the Foreign Relations Committee, Sen. Walter George said (with the approval of Secretary Dulles) "I cannot emphasize too strongly that we have no obligation to take positive measures of any kind. All we are obligated to do is consult together about it."

Dulles himself told the Senate, "We do not intend to dedicate any major elements of the U.S. military establishment to form an army of defense in this area . . ." Yet, in the end, a willful President did just that—without consulting Congress, the public or even the other members of SEATO.

Before his election in 1968, President Nixon described SEATO as a "somewhat anachronis-

tic relic," while Henry Kissinger was calling it "moribund." Once in the White House, however, their criticism ceased.

Now that Nixon is disengaging from Vietnam, it might be a good time for him to substitute for SEATO a policy he once enunciated at Manila. He said: "Peace in Asia cannot come from the United States. It must come from Asia. The people of Asia, the governments of Asia—they are the ones who must lead the way to peace in Asia." Amen.

#### SOCIAL SECURITY AMENDMENTS OF 1973

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

Mr. BINGHAM. Mr. Speaker, today I am introducing the Social Security Amendments Act of 1973, a comprehensive bill which liberalizes eligibility requirements and benefits under social security, medicare, and Federal supplementary security income. This legislation is vitally needed to provide improved coverage for the elderly, the disabled, and the blind.

Last year in the 92d Congress, we fought successfully for a 20-percent across-the-board rise in social security benefits and other improvements in the social security law. However, Mr. Speaker, much more remains to be done if social security is to meet the needs of its beneficiaries.

There are 40 provisions in my bill, and many of them have been drawn up in response to requests and comments from my constituents. Some of the provisions are based on suggestions which were made to me by the National Council of Senior Citizens, the American Association of Retired Persons, and the National Retired Teachers Association. All of these provisions are aimed at helping to bring about a better life for the senior citizens of our society.

I have set out the detailed specifics of each provision in the section-by-section analysis of this bill which accompanies my statement. Consequently, I shall here merely outline in general terms the principal elements of this legislation.

First, my bill would provide partial funding for social security benefits from general Federal tax revenues. The effect of this would be to transfer some of the regressive social security tax burden to the far more progressive income and estate tax structure.

Second, the minimum benefit and the minimum primary insurance amount would be increased. The result would raise the minimum monthly benefit from \$85 to \$120. Furthermore, if a worker had paid into Social Security for more than 15 years, he or she would be entitled to receive a minimum of \$8 times the number of years worked—up to 25 years providing a minimum monthly benefit of between \$120 and \$200.

Third, this bill increases to \$3000 annually—\$250 a month—the amount of outside earnings which are allowed without reducing social security benefits.

Fourth, lump-sum death benefits are increased.

Fifth, forced retirees would be eligible for benefits at age 55.

Sixth, the retirement age for men and women would be lowered to 62 with full benefits. Forced retirees would be eligible for reduced benefits at age 55.

Seventh, if a woman has worked 30 years under social security, she would receive full benefits even if she began receiving payments before age 62.

Eighth, eligibility for widows' and widowers' benefits would be expanded.

Ninth, increased benefits would be paid to beneficiaries who did not begin receiving payments at age 65 but instead waited until a later age.

Tenth, the definition of disability would be broadened and blind persons would be made eligible for disability benefits after 6 quarters of social security coverage.

Eleventh, marriage or remarriage after age 60 by a surviving beneficiary would not affect that person's right to receive survivor's benefits.

Twelfth, civil service and social security credits would be interchangeable.

Thirteenth, special housing allowances would be paid to low-income senior citizens, and recipients of aid to the aged, the blind, and the disabled would retain eligibility for food stamps.

Fourteenth, the first \$7,500 of annual pension income would be disregarded in determining eligibility for Federal supplementary security income payments in the case of persons over age 70.

Finally, Mr. Speaker, my bill would make several critically needed changes in the medicare system.

Medicare recipients would no longer be charged premiums for the supplementary insurance which covers doctors' bills. All deductibles and coinsurance would be eliminated, thus guaranteeing that a medicare beneficiary would receive totally free medical care, the Federal Government paying all costs. Medicare would pay for home health care and nursing services, prescription drugs, dental services, eye glasses, flu vaccine, and orthopedic shoes and braces. Medicare coverage would, for the first time, be usable abroad, covering beneficiaries while they are in Israel, Italy, Ireland, Greece, or any other country with quality medical services.

Just because we enacted and improved social security and medicare benefits in 1972 does not mean that this Congress can now afford to relax its efforts. We must remain watchful of the needs of our senior citizens who are burdened with inflation, rising food costs, increased medical expenses, and high rents. This Nation owes a great debt to the senior citizens whose years of hard work and participation in our democratic processes have helped to build America.

In the hope that this Congress will rise to meet the challenge of providing them with a good standard of living in their golden years, I am introducing this legislation.

#### SECTION-BY-SECTION ANALYSIS OF H.R. 5670, THE SOCIAL SECURITY AMENDMENTS ACT OF 1973

##### TITLE I

Section 101 increases the minimum primary insurance amount to \$120 per month.

Section 102 provides an alternative pri-

mary insurance amount, equal to \$8 multiplied by the number of years up to 25 that a person has worked under social security and had covered earnings equal to the amounts specified.

Section 103 increases the social security tax and benefit base to \$15,000 a year.

Section 104 increases the exempt amount under the social security earnings test to \$3,000 a year—\$250 per month.

Also provides for automatic increases in the exempt amount in direct proportion to the rise in average wages taxed for social security purposes.

Section 105 increases the lump-sum death payment to the smaller of four times the primary insurance amount or 150 percent of the maximum primary insurance amount shown in the benefit table in effect at the time the worker died.

Section 106 lowers the retirement age to 62 with full benefits and to 60 with actuarially reduced benefits.

Section 107 provides that widow's and widower's benefits shall be paid to a widow or widower if that person's spouse died while receiving benefits and the survivor was at least age 50 at the time of the spouse's death.

This section also provides that benefits for disabled widows and widowers shall be paid without regard to their age.

Furthermore, a widow would be eligible for widow's benefits at age 55, provided that her husband was insured by social security, even if he had not begun receiving benefits at the time of his death.

Section 108 reinstates full monthly benefits to a social security recipient who elects to receive reduced benefits. Full benefits are restored at the age at which the reduced benefits received equal the benefits which the recipient would have received had he or she waited until the full retirement age to begin receiving benefits.

Section 109 provides that forced retirees may begin receiving reduced benefits at age 55. A forced retiree is defined as a person who is required to retire before age 60 or who is unable to obtain employment suited to his experience and abilities.

Section 110 eliminates the actuarial reduction of a woman's old-age benefit (based on her own earnings) which applies when benefits begin before age 65 in the case of a woman who has had at least 30 years (120 quarters) of work under social security.

Section 111 provides for the payment of benefits based on the combined earnings of a husband and wife (when both have worked long enough to qualify for benefits) in cases where a higher total payment than is payable under present law would result.

Section 112 provides that if a beneficiary's payments begin after age 65, that person will receive increased lifetime payments which actuarially equal the lifetime amount he or she would have received had benefits begun at age 65.

Section 113 applies the age 62 benefit computation point for men to current beneficiaries and eliminates the 2-year phase-in period which exists in present law.

Section 114 amends the definition of disability so that disability benefits would be payable starting after the third month of disability, without regard to the expected duration of the disability.

In addition, a special definition of disability would be provided for workers who are age 55 or over. Under this definition, benefits would be payable if the disability was one that prevented the person from doing his regular work or some other type of work which he had done at some time in the past.

Section 115 permits a fully insured individual to receive disability benefits, regardless of when his insured quarters of coverage were earned. This eliminates the recent work requirement for disability benefit eligibility.

Section 116 provides for the payment of disability insurance benefits to blind people who have at least six quarters of work under the social security program, regardless of when the quarters are earned.

Section 117 provides monthly benefits, similar to mother's benefits, to widowers who have children entitled to children's benefits.

Section 118 provides for paying monthly benefits to the dependent parent, age 62 or over, of a retired or disabled worker.

Section 119 provides for paying child's benefits to a fulltime student up to age 24, rather than age 22.

Section 120 provides for the payment of benefits to divorced wives and surviving divorced wives who had been married to the worker for at least 10 years, rather than for 20 years as in present law.

Section 121 eliminates the requirement that a husband must have been receiving at least one-half of his support from his wife in order to qualify for husband's benefits, and it eliminates the requirement that a widower must have been receiving at least one-half of his support from his deceased wife in order to qualify for widower's benefits.

Section 122 provides that marriage or remarriage after a person's 60th birthday will not be a reason for terminating benefits.

Section 123 provides that employee or self-employed social security contributions shall be optional after age 65.

Section 124 permits a person to exchange credits between the social security system and the civil service retirement system in order to obtain maximum benefits under the two systems.

Section 125 revises the social security tax schedule. Revised amounts not shown in draft.

Section 126 provides for payments from general Federal revenues to the social security trust funds. The payments would start at 5 percent of the social security taxes collected for fiscal year 1974 and rise by 5 percent each year until the payment reaches 50 percent of the taxes collected for fiscal 1983 and thereafter.

Section 127 is a general savings provision that no person's present social security or supplemental security income benefit may be reduced as a result of any of the provisions in this Social Security Amendments Act of 1973.

## TITLE II

Section 201 provides that people entitled to cash benefits would become automatically entitled to supplementary medical insurance benefits and that the cost of these benefits would be paid out of social security taxes. Premiums collected from beneficiaries and the Federal Government would be abolished.

Section 202 eliminates all deductibles and coinsurance under medicare—except for the \$1 deductible on drug prescriptions contained in section 204. Thus, the Government would pay all medical expenses incurred by a medicare beneficiary.

Section 203 extends medicare coverage to all persons who are receiving social security disability benefits.

Section 204 provides for the payment of prescription drugs purchased by a medicare beneficiary. The medicare beneficiary would pay \$1 of the cost of each prescription and this amount would rise in proportion to rises in the future cost of prescription drugs.

Section 205 extends the coverage of the supplementary medical insurance program to include dental services—except for cleaning teeth—the cost of prescription eyeglasses, orthopedic shoes and braces, the services of an optometrist, and the cost of influenza vaccination.

Section 206 extends medicare coverage to U.S. citizens outside the United States under the same general standards and requirements as apply within the United States.

Section 207 provides home health care and private duty nursing services under medicare and medicaid. This section also extends fire and safety standards requirements to intermediate care facilities and expands public disclosure requirements of finances, expenses, and charges of these facilities.

Finally, this section authorizes a subsidy program for families who care for their elderly, infirm dependents at home.

## TITLE III

Section 301 extends the Federal supplemental security income program—minimum payment of \$130 per individual, \$195 per couple—to Puerto Rico, Guam, and the Virgin Islands.

Section 302 permits a disabled or blind person to receive Federal supplemental security income payments regardless of any income received by that person's spouse from social security or railroad retirement.

Section 303 provides that a person who has reached age 70 and is not covered by social security, and who would be eligible for the minimum Federal supplemental security income—aid to the aged, the blind, and the disabled—but for private pension or annuity income being received, annually shall have the first \$7,500 of that pension or annuity disregarded in determining eligibility for the Federal supplemental security income.

Section 304 preserves eligibility for food stamps under the Federal supplemental security income program.

Section 305 provides special housing allowances from social security to elderly

low-income persons. People over age 62 who have annual incomes under \$4,500 would be eligible.

## TITLE IV

Section 401 increases the authorization for appropriations for maternal and child health and crippled children's services from \$350 million to \$650 million a year.

In addition, it postpones from July 1973 to July 1977 the date by which State programs will have to offer certain specified services if they are to qualify for Federal grants and extends from June 30, 1973 to June 30, 1977 the authority to make special project grants to the States for maternity and infant care, health of school and preschool children, and dental health of children.

## ALASKA OIL ISSUE

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

Mr. UDALL. Mr. Speaker, today I am introducing legislation which would guarantee the American people a timely, responsible, and independent decision by the Congress on the extraction of badly needed petroleum reserves on Alaska's north slope. This bill was inspired by no industry, consumer or conservation group; its goal is neither subtle subversion nor advancement of the controversial Trans-Alaska Pipeline. Its only objective is to establish a reasonable deadline for a decision to be made on Alaskan oil, and to require that in arriving at that decision, Congress take into account the best available scientific advice on each of the serious alternatives which have been proposed.

Much of the anguish associated with this issue really stems from the unwillingness of the interests involved to take their cases before the Congress and to request that a national policy decision be made. To the contrary, for nearly 5 years, the pipeline issue has been bandied about from the administrative agencies to the courts, appoved by permits and then halted by injunctions. The net result is that the petroleum lies untapped where it was discovered in 1968, while the Nation moves to the brink of a serious energy shortage.

On the heels of a spectacular court decision, the Congress now finds itself in the midst of the fray. Even so the Alaska oil issue has been delivered to us in the sheepskin of the Mineral Leasing Act of 1920—the basis upon which a Federal court recently halted pipeline construction. Ironically, the court issued its injunction not on the basis of environmental or economic considerations—even though these are paramount and the real points of dispute—but rather because the rights-of-way granted to Alyeska exceeded the outdated limitations imposed by a half-century-old statute.

The Congress now has basically three choices. First, it may choose to approve a small, technical amendment to this anachronistic statute increasing the width of rights-of-way over public lands

to correspond with modern technology. One such approach is currently being supported by the administration and, I take it, the oil industry. What it offers Congress is an apparently painless way to approve the pipeline without encountering the broad environmental and economic questions involved. What it risks, I fear, is an unending series of law suits, continuing delay, and ultimately the possibility not only that the pipeline would not be built, but that no transmission facility of any kind could be constructed in time to relieve severe petroleum shortages predicted by the end of this decade.

A second proposal, made by opponents of the Trans-Alaska Pipeline, is that Congress simply approve an alternate route, probably through Canada. Let me say that I share their dissatisfaction with the level of attention the Canadian route has received from industry and the administration. Furthermore, I share their desire to impose upon Congress the responsibility for making a positive decision on the Alaskan oil question. But the fact is, the Congress is not in a position to make a responsible decision on this alternative until adequate engineering studies explore its feasibility and negotiations with the Canadian Government determine the availability of rights-of-way.

The legislation I am introducing today offers Congress still another choice. My bill would:

State that it is the policy in the United States to undertake timely recovery of petroleum reserves on Alaska's north slope.

Direct the Office of Technology Assessment to undertake a 1-year study of all the viable geographic and transmission alternatives and report back fact and conclusions prior to congressional action. At the same time, the Secretary of Interior would be required to engage in discussions with the Canadian Government to identify and clarify its position with regard to rights-of-way.

Require that within 60 days of submission of the OTA and Interior Department reports, Congress take positive action to approve one of the alternative methods of recovery. Such action is assured by a highly privileged resolution allowing any Member to bring the matter directly to the floor.

The Office of Technology Assessment, a new arm of Congress, would be asked to form conclusions on three crucial questions:

First. Which market areas in the continental United States will experience the greatest immediate and long-range demands for petroleum?

Second. Which of the available geographical routes will, all factors considered, best meet demand?

Third. Which method of delivery of the alternatives available, including but not limited to rail, pipeline, and ocean tanker, is, all factors considered, the best means of transmission?

In arriving at conclusions, OTA is instructed to weigh equally environmental impact, economic costs and national security.

In discussing the merits of such an approach, let me address myself to the

public, the petroleum industry and the conservation movement.

To the public: Since 1968, when the oil find was made in Alaska, neither you nor the Congress has been allowed to play any role in the important national decisions relating to the recovery of that needed resource. Those decisions to date have been made by political appointees serving the President and by a handful of men wearing judicial robes; they have been influenced by an industry committed to building a highly controversial pipeline and by established conservation and consumer groups determined to oppose it. This bill offers you a chance to have an impact on a significant national decision which may well determine in the years immediately ahead the availability of gas for your automobile and oil to heat your home, as well as the environmental risks to your waterways and beaches.

To the petroleum industry: You have not always counted me as one of your friends, but you will want to carefully assess this bill in light of what is offered your industry. First, the bill recognizes that North Slope oil is a resource which must be developed. Second, it gives you a definite time frame within which you will have a decision on the method of development. Once this bill is passed, you would know that in 14 months the construction of transmission facilities can begin. Third, you would be secure in the knowledge that, whatever Congress decides, that is national policy not subject to harassment or review in the courts.

Finally to the conservation groups: You have done a service to the Nation by insisting that alternatives to the potentially dangerous trans-Alaska pipeline be thoroughly explored. That is precisely what is proposed in this bill—a unique and unbiased study of the alternatives by a new, independent arm of Congress. Under this bill, Congress could decide to proceed with the trans-Alaska route, but if you support this bill, you are guaranteed the decision will be made in an open forum on the basis of the best available evidence. That, rather than blind opposition to the pipeline, has been your goal as I understand it.

Mr. Speaker, there has been much discussion in these Halls of the increasing arrogance of the executive branch in attempting to exercise powers belonging only to the Congress. I submit that the Alaska oil situation is a case in point. For 4 years this administration has done everything within its power to circumvent Congress on the pipeline issue. Had it not been for a rather technical violation of the Mineral Leasing Act, having nothing to do with the tough economic and environmental issues at stake, it may well have succeeded. Having been brought up short by the court, the administration is once again attempting to evade the issue by seeking a technical change in the old law rather than a full discussion of the issue and a decision by Congress. Such a policy presumes two things: the willingness of Congress to allow a monumental decision of this kind to slip through the back door and the total capitulation of those who have

fought long and hard against the pipeline.

Mr. Speaker, ultimately the Congress will be forced to decide the Alaska oil issue—whether now in an informed, orderly and timely manner or in 2 or 3 years after another round of lawsuits and maneuvering within the Federal agencies, with an energy crisis at hand and the Congress impotent to do anything about it.

The oil industry, the conservationists and the public deserve an answer—now.

I include the text of my bill to be printed at this point in the RECORD:

H.R. 5750

A bill to authorize the construction of transmission facilities for delivery to the continental United States of petroleum reserves located on the North Slope of Alaska, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—*

(a) energy sources are in short supply and the Congress should act to hasten the recovery of underground petroleum reserves on the North Slope of Alaska;

(b) the alternative methods of recovery and delivery of such petroleum should be thoroughly studied and diplomatic problems arising from the adoption of any alternative should be identified and clarified;

(c) the study of alternative methods of recovery and delivery should thoroughly consider and examine the environmental effects, economic costs, and national security aspects of such recovery and delivery method; and

(d) no decision generally affecting the siting of transmission facilities on public land in Alaska for the purposes of recovering petroleum from the North Slope should be made by any Federal agency until the Congress has had an opportunity to review plans for recovering and delivering such petroleum reserves.

SEC. 2. (a) The Director of the Office of Technology Assessment (hereafter in this Act referred to as the "Director") is authorized and directed to conduct a thorough study of all practical methods of recovering and delivering to the continental United States the petroleum reserves located on the North Slope of Alaska. The Director shall report his findings and conclusions, based on the study authorized by this section, to the Congress, and shall file a final report, based on such study, with the Congress within the one-year period beginning on the date of enactment of this Act. In conducting the study authorized by this section, giving equal consideration to the environmental impact, economic cost, and national security aspects of all such alternative recovery and delivery methods, the Director shall—

(1) identify and define those market areas in the continental United States that are expected to experience the greatest immediate and long-range demand for petroleum, as well as the available geographical routes that will, considering all factors, best meet the demand; and

(2) determine which of the methods of and routes for the recovery and delivery of such North Slope petroleum, of all alternatives available, including but not limited to rail, pipeline, ocean tanker, or any combination thereof, all factors considered, is the best recovery and delivery method and route for such North Slope petroleum.

(b) In conducting the study authorized by this section the Director is authorized to enter into such contracts with such persons, institutions, or agencies as may be necessary and appropriate to carry out the purposes of this Act.

(c) The Director is authorized to secure from any department, agency, or instrumentality of the Federal Government any information he deems necessary to carry out his functions under this Act. Upon request of the Director, the head of any Federal department, agency, or instrumentality is authorized (1) to furnish the Director such information as may be necessary for carrying out his functions to the extent it is available to or procurable by such department, agency, or instrumentality and (2) to detail to temporary duty with the Director, on a reimbursable basis, such personnel, within his administrative jurisdiction as the Director requests, each such detail to be without loss of seniority, pay, or other employee status.

SEC. 3. The Secretary of the Interior is authorized and directed to enter into negotiations with the government of Canada to determine the feasibility and availability of a right-of-way across Canadian territory for the construction and operation of transmission facilities for the petroleum reserves on the North Slope of Alaska. The Secretary shall report the results of his negotiations to the Congress within the one-year period beginning on the date of enactment of this Act.

SEC. 4. All reports required by this Act to be filed with the Congress shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate.

SEC. 5. Notwithstanding any other law, rule of law, or any order or decision of any court, no order or rule of the Secretary of the Interior, or of any other Federal agency or officer of the United States, granting a right-of-way, easement, or use of any Federal land for the development and operation of a pipeline for the transmission of petroleum from the North Slope in Alaska shall take effect until the end of the sixty day period beginning on the date the Director files his final report with the Congress as authorized and directed by section 2 of this Act, and then only if the Congress has not, prior to the end of such sixty day period, adopted a concurrent resolution which authorizes a specific alternative method for the transmission of such petroleum according to the procedure specified in section 6 of this Act.

SEC. 6. (a) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) For the purpose of this Act, "resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress favors the plan for the development of a transmission method for the delivery of North Slope petroleum described as follows: \_\_\_\_\_", the blank space therein being appropriately filled; but does not include a concurrent resolution which specifies more than one plan.

(c) A resolution with respect to petroleum transmission plan shall be referred to the Committee on Interior and Insular Affairs of the House of Representatives, or the Committee on Interior and Insular Affairs of the Senate, by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) If the committee to which a resolution with respect to a petroleum transmission plan has been referred has not reported it at the end of 10 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the petroleum transmission plan which has been referred to the committee.

(e) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(f) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(g) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a petroleum transmission plan, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(h) Debate on the resolution shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(i) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a petroleum transmission plan, and motions to proceed to the consideration of other business, shall be decided without debate.

(j) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a petroleum transmission plan shall be decided without debate.

SEC. 7. There are authorized such funds as may be necessary to carry out the provisions of this Act.

#### DR. CHARLES RICE GADAIRE

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BOLAND. Mr. Speaker, on July 1, 1973, Dr. Charles Rice Gadaire will retire from his duties as special assistant to President Harry T. Courinotes, of American International College. I take this opportunity to laud his profound educational, social, and administrative efforts. Dr. Gadaire, or Doc Gadaire as he is popularly known, has served as a member of the faculty or in an administrative position at this small liberal arts college located in Springfield, Mass., for the past 37 years.

Dr. Gadaire, who is a native of Brookfield, Mass., received his bachelor's degree in biology from Clark University, 1933, and his doctorate from the University of Toronto, 1935. In the fall of 1935, he and his young bride moved to Springfield, Mass., and Dr. Gadaire joined the faculty of American International College. This was the beginning of an illustrious educational career that would span nearly 40 years and touch literally thousands of students.

Dr. Gadaire has been an active member of the community. After serving as head of the biology department for 11 years, he became head of the entire science department in 1946. Six years later, he was again honored by being named director of student activities. In 1957 he was named dean of students at the college, a post he subsequently relinquished to return to the classroom he so fondly loved. The graduating class of 1967 asked him to deliver the baccalaureate address.

Dr. Gadaire's talents and accomplishments were not limited entirely to the confines of the classroom. He became a frequent lecturer throughout the Nation, often speaking on his two favorite topics, "The College Student Today" and "Environment—Critical Issue of the Seventies." Due to his astounding foresight, American International College initiated its model congress program which would draw accolades from across the Nation. During World War II, Dr. Gadaire assumed the chairmanship of the science department of Springfield's High School of Commerce and also instructed a course in the Army's aircrew cadet program. In 1958 he was elected an honorary member of Alpha Chi, the National Honor Scholarship Society. In 1968 he was appointed to the national council of that society.

Dr. Gadaire has remained active in the local chapter of the American Association for the Advancement of Science, and chairman of the Subcommittee on Schools and Colleges of the Springfield Cancer Education Committee of the American Cancer Society. He also, quite miraculously, found time to serve as chairman of the Ludlow, Mass., School Committee and as corporator of the Wesson Maternity Hospital. In 1958 he had the distinction of serving as chairman of the National Association of Student Personnel Cooperating Committee of the United States, an organization of college administrators. He is also a member of the Lions Club.

In 1967 Dr. Gadaire was named dean of continuing education and extension programs. This helped to formulate and later launch a program for servicemen located at nearby Westover Air Force Base to earn college credits while serving America. He is also a guest lecturer of biology at Our Lady of the Elms College in Chicopee, Mass.

While all of the above accomplishments of the very popular professor are impressive, his most significant mark is the splendid influence he brought to bear on so many young people with whom he came into contact. Knowing how deeply he cared about their future, students naturally responded in a positive man-

ner. Although we certainly live in an age of remarkable innovation, Dr. Gadaire never lost that touch that helped to make him the great and benevolent educator that he is.

Dr. and Mrs. Gadaire have been a credit not only to the academic community, but also to the community at large. Dr. Gadaire will be missed by the college at which he taught, and he will also be missed by the citizens of the area in which he made his home.

#### PROBLEMS FACING CITIES

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

Mr. DOMINICK V. DANIELS. Mr. Speaker, air pollution, congestion, waste of land, and economic inefficiency are just a few of the many problems facing large cities due to backward transportation systems. The use of funds now exclusively allocated to urban systems from the highway trust fund for the creation of mass transit systems would greatly alleviate these problems. This is the intent of the legislation I have introduced today.

Mass transit, in the form of buses, rails, and subways, are more economical, safer, and more efficient than automobiles for daily commuting.

By the end of this decade, if not sooner, we will face a great energy crisis. Today, we import approximately 25 percent of our oil. By 1985, 58 percent of our oil will be imported from foreign countries. We expect that the price of fuel, by then, will increase 100 percent. We must offer commuters a safer and more economical alternative in the forms of public transportation which will also cut back the daily use of fuel by almost 15 percent.

Emissions from automobiles cause approximately 90 percent of the air pollution in our cities. Autos account for nearly two-thirds of carbon monoxide, more than one-half of hydrocarbons, and two-fifths of nitrogen oxide in the air. Environmental experts say that "drastic measures" will have to be taken to limit the number of automobiles entering our cities if clean air standards are to be achieved. Already such a measure has been formally proposed for Los Angeles by William Ruckelshaus of the Environmental Protection Agency.

Mass transportation would greatly decrease the number of automobiles in the cities, making them considerably easier, healthier, and cleaner to live in.

Land in urban areas is scarce and mass transportation would reduce the amount of land being wasted on parking lots or being torn down, paved over, and filled with fumes of crawling traffic and anguished motorists.

Our highways and freeways have become so clogged and backlogged with commuters and marginal users, that no one really benefits from highways or local in-town arterials and streets. One major reason for the decimation of downtown and other urban shopping areas is the impossibility of parking, and the likelihood of being stranded in crawling, foul smelling traffic. One major boon to urban

business would be to make urban business as convenient as shopping centers. Thus, urbanites would have the option of urban and suburban shopping centers while their suburban counterparts could shop with ease downtown or in their own community centers.

Certainly another benefit is that other forms of transportation would benefit from a reduction in the number of private single occupant automobiles. Truckers and taxi operators would be able to deliver their goods and passengers faster and on time, increasing the efficiency of both and increasing business for both.

Studies have shown that additional freeways created additional congestion and that the only way to relieve the problem is to greatly reduce the number of private automobiles on the road by substituting mass transit.

Mass transit is certainly not the complete answer to solving the energy crisis nor to cleaning up the environment. Neither is mass transit a cure-all for our transportation problems.

However, by permitting local urban systems the option of trust fund moneys for mass transit, we would provide them an effective tool to help solve our energy crisis, clean up our air, use land more efficiently, and transport people in a safe, efficient, and economic manner. Moreover, we would be providing an opportunity to utilize the full potential of the automobile as transportation—a potential certainly not now realized.

#### MEDICAID FOR MIGRANTS

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

Mr. E DE LA GARZA. Mr. Speaker, adequate medical care has been declared the right of all citizens of the United States, and I believe this is a conclusion with which few, if any, Americans would disagree.

Unfortunately, the Federal edict which carries this declaration does not also provide a vehicle for providing the necessary medical care. Especially neglected by the Federal plans designed to provide medical care for medical indigents are individuals living in either rural areas or inner city areas and not employed in an industry which underwrites the cost of an employee health program.

Migrant workers, of whom there are a great many in my south Texas congressional district, are not provided any form of health insurance by their employers. Federal funds in large amounts have been dedicated to improving the life of the migrant family. But the brutal truth is that the result of this Federal funding shows little relationship between the amount of money expended and the improvement of the life and well-being of the migrant.

The lack of adequate funds for migrant health care is a glaring example.

I report with sadness that unless the indigent patient has an emergency medical problem, most hospitals cannot admit him or her as an inpatient. Funds are lacking to pay for the cost of inpatient hospital care. Federal regulations prevent hospitals from charging the pri-

vate pay patient or medicare-medicaid patient for the expense of treating the medically indigent. Adequate capacity is lacking to admit all patients who require elective hospital services.

These conditions are not the fault of the people who run the hospitals. They did not create the situation. They can only suffer with it.

Listen to this paragraph in a letter I received recently from the executive director of a hospital in my district:

There are very few things a man can do that make him feel lower than denying an individual admission to a hospital. Telling a father that his child cannot be admitted for elective surgery or elective diagnosis procedures is a frustrating and heartbreaking duty for any man. This is an everyday occurrence at every hospital in the Valley. It is a simple matter of survival. Hospitals have to be reimbursed for the costs which the incur in treating a patient.

Mr. Speaker, it is just an economic fact of life that someone, somewhere, somehow, has to bear the cost of providing each service and each day of patient care rendered by the hospital.

The plain fact of the matter is that church operated and private hospitals in my district are facing extinction because they cannot handle the costs of treating medically indigent patients.

The general public welfare is involved and not solely from the viewpoint of humanitarianism. A person ill with a contagious disease and unable to receive treatment almost surely will spread his contagion throughout the community.

These citizens, indigent or not, have a right to adequate medical care. I know many of them in my district. I have been in their homes, I have talked with them, and I know the fear approaching terror which strikes their hearts with the onslaught of illness, because they know they cannot pay for proper treatment and care. This fear is something that no human being, no American citizen, should have to experience.

There is much that must be done to relieve their situation. I have introduced a bill that would take one forward step in the right direction.

At present, under title XIX of the Social Security Act, any State having a medicaid program is required to provide some services—but may elect not to provide others. Every State having such a program is required to provide medical services to individuals receiving, or who are eligible to receive, cash assistance under its public aid program. However, a State may elect not to include under its medicaid program those persons not on public assistance whose income is nevertheless insufficient to meet the expenses of ordinary medical care. These, Mr. Speaker, are the medically indigent.

My bill would require the States to provide the necessary medical and remedial care and services on the same terms to all groups, except that in the group not receiving public assistance an enrollment fee, premium or other charge related to the individual's income would be imposed and the deductible, cost sharing or other charge will be nominal.

Mr. Speaker, this is simply a proposal to make the expanded coverage to the medically indigent mandatory instead

of optional with the States. It is the minimum that ought to be done.

Human suffering and human lives are at stake here, Mr. Speaker. I respectfully urge my colleagues to consider my bill in that light.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN, for today, on account of official business.

Mr. ESHLEMAN (at the request of Mr. GERALD R. FORD), for today, due to death of close friend.

Mr. O'BRIEN (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. PICKLE (at the request of Mr. McFALL), for today, on account of death in family.

Mr. YOUNG of Florida (at the request of Mr. GERALD R. FORD), for today, on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HILLIS) to revise and extend their remarks and include extraneous matter:)

Mr. WYATT, for 1 hour, on March 19.

Mr. HANSEN, for 20 minutes, today.

Mr. RINALDO, for 20 minutes, today.

Mr. HECHLER of West Virginia, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous matter:)

Mr. McFALL, for 5 minutes, today.

Mr. BURTON, for 5 minutes, today.

Mr. REUSS, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DULSKI, for 10 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. MURPHY of Illinois, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. HENDERSON, for 5 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. ALEXANDER, for 10 minutes, on March 27.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MAHON and to include extraneous matter and tables.

(The following Members (at the request of Mr. HILLIS) and to include extraneous matter:)

Mr. SNYDER.

Mr. RAILSBACK.

Mr. TAYLOR of Missouri in two instances.

Mr. GROVER.

Mr. BAKER.

Mr. WYMAN in two instances.

Mr. MALLARY.

Mr. ANDERSON of Illinois in two instances.

Mr. HANRAHAN.

Mr. STEELE in two instances.

Mr. COLLINS in five instances.

Mr. DU PONT.

Mr. CRONIN in two instances.

Mr. HOGAN in two instances.

Mr. HUDNUT.

Mr. CONTE.

Mr. DON H. CLAUSEN.

Mr. FINDLEY in two instances.

Mr. GOODLING in five instances.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. HARRINGTON in five instances.

Mr. MAZZOLI.

Mr. WALDIE in five instances.

Mr. GAYDOS in two instances.

Mr. STARK.

Mr. COTTER in 10 instances.

Mr. DINGELL in two instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. BOLLING in two instances.

Mr. GINN.

Mr. ANNUNZIO in 10 instances.

Mr. RIEGLE.

Mr. DOMINICK V. DANIELS.

Mr. DAN DANIEL.

Mr. DORN in two instances.

Mr. BRASCO in three instances.

Mr. KOCH.

Mr. ANDERSON of California in four instances.

Mr. RODINO.

Mr. BINGHAM.

Mr. HAWKINS in two instances.

Mr. LEGGETT in two instances.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 776. An act to authorize the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco; to the Committee on Banking and Currency.

#### ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 30 minutes p.m.) under its previous order, the House adjourned until Monday, March 19, 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:

581. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to revise the real and personal property tax exemption laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

582. A letter from the Secretary of the Interior, transmitting a report on the administration of the Federal Metal and Nonmetallic Mine Safety Act, covering 1971, pursuant to section 20 of the act; to the Committee on Education and Labor.

583. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of various international agreements, other than treaties, entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

584. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference held in Washington, D.C., on October 26, and 27, 1972, pursuant to 28 U.S.C. 331 (H. Doc. No. 93-62); to the Committee on the Judiciary and ordered to be printed.

585. A letter from the Attorney General, transmitting a draft of proposed legislation to provide for Special Law Enforcement Revenue Sharing; to the Committee on the Judiciary.

586. A letter from the National Secretary-Treasurer, Sons of Union Veterans of the Civil War, transmitting a copy of the proceedings of the organization's 91st annual national encampment, and an audit for the year ended June 30, 1972, pursuant to chapter 774 of Public Law 83-605; to the Committee on the Judiciary.

587. A letter from the Secretary of Commerce, transmitting the 1973 Annual Report of the Foreign-Trade Zones Board, together with the reports covering the activities during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 5, 7, 8, 9, and 10, and subzones 3-A, 7-A, and 9-A, pursuant to section 16 of the Foreign-Trade Zones Act of 1934, as amended; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

588. A letter from the Comptroller General of the United States, transmitting a report on problems with U.S. military equipment prepositioned in Europe by the Department of Defense; 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. PERKINS: Committee of conference. Conference report to accompany H.R. 4278 (Rept. No. 93-76). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5445. A bill to extend the Clean Air Act, as amended, for 1 year; (Rept. No. 93-77). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5446. A bill to extend the Solid Waste Disposal Act, as amended, for 1 year; (Rept. No. 97-78). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself and Mr. EILBERG):

H.R. 5668. A bill to amend title 32 of the United States Code to establish a Commission to oversee and improve the capability of the National Guard to control civil disturbances, and for other purposes; to the Committee on Armed Services.

By Mr. BINGHAM:

H.R. 5669. A bill governing the use of the Armed Forces of the United States in the absence of a declaration of war by the Congress; to the Committee on Foreign Affairs.

H.R. 5670. A bill to amend the Social Security Act to liberalize benefits under the old-age, survivors, and disability insurance program and otherwise improve such program, to liberalize and improve the health insurance benefits program, to extend eligibility under the supplemental security income program, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOMFIELD (for himself and Mr. Esch):

H.R. 5671. A bill to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BROTHILL of Virginia:

H.R. 5672. A bill to amend title 5, United States Code, to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURKE of Massachusetts:

H.R. 5673. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for motor vehicle insurance premiums; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. DOMINICK V. DANIELS, Mr. DE LUGO, Mr. DENT, Mr. FOUNTAIN, Mr. FREY, Mrs. GRASSO, Mr. HARRINGTON, Mr. JONES of North Carolina, Mr. LENT, Mr. LUJAN, Mr. MAZZOLI, Mr. MINISH, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. NIX, Mr. PEPPER, Mr. PODELL, Mr. RIEGLE, Mr. RODINO, Mr. ROE, Mr. SEIBERLING, Mr. VESEY, Mr. WON PAT, and Mrs. HECKLER of Massachusetts):

H.R. 5674. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. CARNEY of Ohio (for himself,

Mr. HECHLER of West Virginia, Mr. ROE, Mr. HELSTOSKI, Mr. ROYBAL, Mr. STUDDS, Mr. ROSENTHAL, Mr. EILBERG, Mr. PODELL, Mr. DANIELSON, Mr. YATRON, Mr. RIEGLE, Mr. MITCHELL of Maryland, Mr. DAVIS of South Carolina, Mr. FAUNTRY, Mr. WALDIE, Mr. SEIBERLING, and Mr. BURTON):

H.R. 5675. A bill to amend the Economic Stabilization Act of 1970, to establish a Food Price Control Commission in order to control the wholesale and retail level of food prices; to the Committee on Banking and Currency.

By Mr. CARTER:

H.R. 5676. A bill 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; to the Committee on Interstate and Foreign Commerce.

H.R. 5677. A bill to establish an Emergency Medical Services Administration within the Department of Health, Education, and Welfare to assist communities in providing professional emergency medical care; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPPELL (for himself, Mr. SIKES, Mr. BENNETT, Mr. PEPPER, Mr. FUQUA, Mr. GIBBONS, and Mr. GUNTER):

H.R. 5678. A bill to provide for study of a

certain segment of the Oklawaha River for potential addition to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS (for himself and Mr. ICHORD):

H.R. 5679. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. CRONIN:

H.R. 5680. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. DOMINICK V. DANIELS:

H.R. 5681. A bill to authorize appropriations for construction of certain highway projects in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. E DE LA GARZA:

H.R. 5682. A bill to amend title XIX of the Social Security Act to require a State, under its approved Medicaid plan, to provide assistance to the medically indigent as well as the medically needy; to the Committee on Ways and Means.

By Mr. DENHOLM:

H.R. 5683. A bill to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes; to the Committee on Agriculture.

By Mr. DEVINE (for himself, Mr. CLANCY, and Mr. HUNT):

H.R. 5684. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

By Mr. DIGGS (by request):

H.R. 5685. A bill to revise and modernize procedures relating to licensing by the District of Columbia of persons engaged in certain occupations, professions, businesses, trades, and callings, and for other purposes; to the Committee on the District of Columbia.

H.R. 5686. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia and the District of Columbia Traffic Act of 1925, to authorize the issuance of special identification cards, and for other purposes; to the Committee on the District of Columbia.

H.R. 5687. A bill to improve the laws relating to the regulation of insurance in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H.R. 5688. A bill to define the scope of tort liability of the Government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H.R. 5689. A bill to revise the real and personal property tax exemption laws of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. DULSKI:

H.R. 5690. A bill to discontinue price support programs for agricultural commodities beginning with the 1974 crops of such commodities; to the Committee on Agriculture.

H.R. 5691. A bill to amend the Public Health Service Act to extend for 1 fiscal year the program of assistance for regional medical programs; to the Committee on Interstate and Foreign Commerce.

By Mr. DULSKI (by request):

H.R. 5692. A bill to amend title 5, United States Code, to revise the reporting requirement contained in subsection (b) of section

1308; to the Committee on Post Office and Civil Service.

By Mr. ESCH:

H.R. 5693. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado (for himself, Mr. STEPHENS, Mr. TIERNAN, Mr. BROWN of California, Mr. CULVER, Mr. CONYERS, Mr. HUNGATE, Mr. THOMPSON of New Jersey, and Mr. DENHOLM):

H.R. 5694. A bill to require the Secretary of Agriculture to carry out all rural housing programs of the Farmers Home Administration; to the Committee on Banking and Currency.

By Mr. EVANS of Tennessee:

H.R. 5695. A bill to improve the effectiveness of the Federal Trade Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER:

H.R. 5696. A bill to provide for participation by the United States in the United Nations environmental program; to the Committee on Foreign Affairs.

H.R. 5697. A bill to amend chapter 17 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5698. A bill to amend title 38 of the United States Code in order to establish a National Cemetery System within the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5699. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. BROWN of California, Mr. BUCHANAN, Mr. GUNTER, Mr. HALEY, Mr. HARRINGTON, Mr. LEHMAN, and Mr. WON PAT):

H.R. 5700. A bill to prohibit the transportation and sale in interstate commerce and importation into the United States of noxious aquatic plants; to the Committee on the Judiciary.

By Mr. FROELICH:

H.R. 5701. A bill to extend for 1 year the deadline for States to designate segments of the Interstate System; to the Committee on Public Works.

By Mr. GUDE:

H.R. 5702. A bill to repeal the statutory authority to impose quotas on certain imported meat and meat products; to the Committee on Ways and Means.

By Mr. HANSEN of Idaho:

H.R. 5703. A bill to establish a National Flag Commission; to the Committee on the Judiciary.

By Mr. HARRINGTON (for himself, Mr. ANDERSON of Illinois, Mr. BADILO, Mr. BURKE of Massachusetts, Mr. CARNEY of Ohio, Mrs. CHISHOLM, Mr. EILBERG, Mr. FRASER, Mr. GETTYS, Mr. GODE, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HENDERSON, Mr. KOCH, Mr. LEHMAN, Mr. MOAKLEY, Mr. MCCRACKEN, Mr. MOLLOHAN, Mr. PICKLE, Mr. PRICE of Illinois, Mr. RANGEL, and Mr. ROYAL):

H.R. 5704. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property

by certain grantees; to the Committee on Government Operations.

By Mr. HARRINGTON (for himself, Mr. ROSENTHAL, Mr. SARBAKES, Mr. STUDDS, Mr. VEYSEY, and Mr. WON PAT):

H.R. 5705. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees; to the Committee on Government Operations.

By Mr. HAWKINS (for himself, Mr. BADILO, Mr. BELL, Mr. BROWN of California, Mr. BURTON, Mr. CLAY, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DIGGS, Mr. EILBERG, Mr. FAUNTRY, Mr. FISH, and Mr. WILLIAM D. FORD):

H.R. 5706. A bill to authorize financial assistance for opportunities industrialization centers; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. GREEN of Pennsylvania, Miss JORDAN, Mr. METCALFE, Mr. MOAKLEY Mr. NIX, Mr. PEPPER, Mr. PODELL, Mr. PERKINS, Mr. RANGEL, Mr. REES, Mr. REUSS, Mr. ROYAL, Mr. SARBAKES, Mr. SEIBERLING, and Mr. WALDIE):

H.R. 5707. A bill to authorize financial assistance for opportunities industrialization centers; to the Committee on Education and Labor.

By Mrs. HECKLER of Massachusetts (for herself, Mr. ARCHER, Mr. BURKE of Massachusetts, Mr. DON H. CLAUSEN, Mr. CRONIN, Mr. DELANEY, Mr. DERWINSKI, Mr. ESCH, Mr. FORSYTHE, Mr. GODE, Mr. GUNTER, Mr. HANRAHAN, Mr. HANSEN of Idaho, Mr. HELSTOSKI, Mr. HOLIFIELD, Mrs. HOLT, Mr. HOWARD, Mr. HUBER, Mr. HEDNUT, Miss JORDAN, Mr. KETCHUM, Mr. KUYKENDALL, Mr. LUJAN, Mr. MADIGAN, and Mr. MAZZOLI):

H.R. 5708. A bill to provide that respect for an individual's right not to participate in abortions contrary to that individual's conscience be a requirement for hospital eligibility for Federal financial assistance; to the Committee on Interstate and Foreign Commerce.

By Mrs. HECKLER of Massachusetts (for herself, Mr. McCOLLISTER, Mrs. MINK, Mr. MOAKLEY, Mr. NEDZI, Mr. OBEY, Mr. POWELL of Ohio, Mr. QUIE, Mr. RHODES, Mr. RINALDO, Mr. RONCALLO of New York, Mr. ROY, Mr. RYAN, Mr. J. WILLIAM STANTON, Mrs. SULLIVAN, Mr. WHITEHURST, and Mr. ZWACH):

H.R. 5709. A bill to provide that respect for an individual's right not to participate in abortions contrary to that individual's conscience be a requirement for hospital eligibility for Federal financial assistance; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Mr. ANDERSON of Illinois, Mr. BEVILL, Mr. BIESTER, Mr. BLACKBURN, Mr. BUCHANAN, Mr. DRINAN, Mr. FORSYTHE, Mr. FRASER, Mr. FRENZEL, Mr. GAYDOS, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. HEDNUT, Mr. MAILLAIRD, Ms. MINK, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. REES, Mr. ROBINSON of New York, and Mr. ROY):

H.R. 5710. A bill to amend section 1130 of the Social Security Act to make inapplicable to the aged, blind, and disabled the existing provision limiting to 10 percent the portion of the total amounts paid to a State as grants for social services which may be paid with respect to individuals who are not actually recipients of or applicants for aid or assistance; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. JOHN-SON of Pennsylvania, Mr. ST. GER-MAIN, Mr. SARASIN, Mr. SARBAKES, Mr. STEELEMAN, Mr. VANDER JAGT, Mr. WARE, Mr. WHITEHURST, Mr. WON PAT, Mr. YATRON, Mr. KEMP, and Mr. DU PONT):

H.R. 5711. A bill to amend section 1130 of the Social Security Act to make inapplicable to the aged, blind, and disabled the existing provision limiting to 10 percent the portion of the total amounts paid to a State as grants for social services which may be paid with respect to individuals who are not actually recipients of or applicants for aid or assistance; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 5712. A bill to amend the Internal Revenue Code of 1954 to permit the deductions of household and dependent care expenses by a married couple when one spouse is a full-time student to the same extent that such expenses could be deducted if both spouses were employed; to the Committee on Ways and Means.

By Mr. KEATING (for himself, Mr. WARE, Mr. HARRINGTON, Mr. DAVIS of South Carolina, Mr. WYATT, Mr. EILBERG, Mr. PICKLE, Mr. FRASER, Mr. FORSYTHE, Mr. DUNCAN, Mr. GUNTER, Mr. ROSENTHAL, Mr. TAYLOR of North Carolina, Mr. PODELL, Mr. MARTIN of North Carolina, Mr. FUQUA, Mr. WON PAT, Mr. DANIELSON, Ms. HOLTZMAN, Mr. KETCHUM, Mr. WHITEHURST, Mr. FASCELL, Mrs. HANSEN of Washington, Mr. SEBELIUS, and Mr. ESCH):

H.R. 5713. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. KEATING (for himself, Mr. BIESTER, Mr. McCLOSKEY, Mr. FINDLEY, Mr. RAILSBACK, Mr. YATRON, Mrs. GRASSO, Mr. KEMP, Mr. VANDER JAGT, Mr. WOLFF, Mr. FREY, Mr. TALCOTT, Mr. STEELE, Mr. STEIGER of Wisconsin, Mr. SARBAKES, and Mr. MOAKLEY):

H.R. 5714. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM (for himself, Mr. BAFALIS, Mr. BROWN of California, Mr. BURGENER, Mr. CONLAN, Mr. FROELICH, Mr. GUNTER, Mr. HECHLER of West Virginia, Mr. MATHIS of Georgia, Mr. MOORHEAD of California, Mr. RAILSBACK, Mr. THONE, and Mr. WALDIE):

H.R. 5715. A bill to provide that certain meetings of each Government agency and each congressional committee shall be open to the public, and for other purposes; to the Committee on Rules.

By Mr. KOCH (for himself, Mr. BRASCO, Mr. BUCHANAN, Mr. DERWINSKI, Mr. EILBERG, Mr. ESHLEMAN, Mr. FASCELL, Mr. FORSYTHE, Mrs. GREEN of Oregon, Mr. GREEN of Pennsylvania, Mr. GUNTER, Mrs. HECKLER of Massachusetts, Mr. HEDNUT, Mr. ICHORD, Mr. KETCHUM, Mr. LENT, Mr. LUJAN, Mr. MCKINNEY, Mr. MURPHY of Illinois, Mr. NICHOLS, Mr. RONCALLO of New York, Mr. STRATTON, Mr. STUDDS, Mr. WHITEHURST, and Mr. WRIGHT):

H.R. 5716. A bill to amend the Controlled Substances Act to require life imprisonment for certain persons convicted of illegally dealing in dangerous narcotic drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA (for himself and Mr. GUYER):

H.R. 5717. A bill to amend article 52 of the Uniform Code of Military Justice to re-

quire the concurrence of all members of a court-martial to convict any person of violating a punitive article under such code; to the Committee on Armed Services.

By Mr. LEHMAN:

H.R. 5718. A bill to amend the Elementary and Secondary Education Act of 1965, to provide a program for gifted and talented children; to the Committee on Education and Labor.

By Mr. McCORMACK (for himself and Mr. MEEDS):

H.R. 5719. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purposes; to the Committee on the Judiciary.

By Mr. MAYNE:

H.R. 5720. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 5721. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. MELCHER (for himself and Mr. DELLUMS):

H.R. 5722. A bill to amend the Budget and Accounting Act of 1921 to require the advice and consent of the Senate for appointments to Director of the Office of Management and Budget; to the Committee on Government Operations.

By Mr. MILLS of Arkansas:

H.R. 5723. A bill to authorize financial assistance for opportunities industrialization centers; to the Committee on Education and Labor.

By Mr. MURPHY of Illinois:

H.R. 5724. A bill to amend section 709 (g) (1) of title 32 of the United States Code to permit certain National Guard technicians to be absent from work on legal holidays; to the Committee on Armed Services.

By Mr. NIX:

H.R. 5725. A bill to amend titles 39 and 5, United States Code, to eliminate certain restrictions on the right of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'HARA (for himself and Mr. MELCHER):

H.R. 5726. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA (for himself, Mr. DELLENBACK, Mr. BIAGGI, Mr. BRADEMAS, Mr. LEHMAN, Mr. BENITEZ, Mr. ERLENBORN, Mr. KEMP, and Mr. HUBER):

H.R. 5727. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. PATMAN:

H.R. 5728. A bill to provide that the receipts from the excise tax based on the investment income of private foundations shall be used for the supervision of the activities of such foundations; to the Committee on Ways and Means.

H.R. 5729. A bill to amend the Internal Revenue Code of 1954 to require private

foundations to diversify their holdings; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 5730. A bill to provide for funding the Emergency Employment Act of 1971 for 2 additional years, and for other purposes; to the Committee on Education and Labor.

By Mr. RAILSBACK (for himself and Mr. ANDERSON of Illinois):

H.R. 5731. A bill to amend title 28, United States Code, to prohibit Federal judges from receiving compensation other than for the performance of their judicial duties, except in certain instances, and to provide for the disclosure of certain financial information; to the Committee on the Judiciary.

By Mr. REES:

H.R. 5732. A bill to enlarge Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. REID (for himself, and Mrs. MINK):

H.R. 5733. A bill to amend the Social Security Act, as amended, to eliminate certain limitations on the use of Federal funds for social service programs; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 5734. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 5735. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time the proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 5736. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 5737. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BELL Mr. BURTON, Mr. CONYERS, Mr. CORMAN, Mr. EDWARDS of California, Mr. HAWKINS, Mr. JOHNSON of California, Mr. HANNA, Mr. LEGGETT, Mr. LEHMAN, Mr. LUJAN, Mr. MCFALL, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. PODELL, Mr. REES, Mr. RIEGLE, Mr. ROE, Mr. WALDIE, and Mr. HELSTOSKI):

H.R. 5738. A bill to authorize grants to the Deganawidah-Quetzalcoatl University; to the Committee on Education and Labor.

By Mr. ROYBAL (for himself, Mr. BROWN of California, Mr. DANIELSON, Mr. EDWARDS of California, Mr. ELLBERG, Mr. HAWKINS, Ms. HOLTZMAN, Mr. LEGGETT, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. RIEGLE, Mr. ROSENTHAL, Mr. ROE, and Mrs. SCHROEDER):

H.R. 5739. A bill to amend the Public Health Service Act to provide assistance for research and development for improvement in delivery of health services to the critically ill; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself, Ms. ABZUG, Mr. BELL, Mr. BROWN of California, Mr. BURTON, Mrs. CHISHOLM, Mr. CORMAN, Mr. DIGGS, Mr. HARRINGTON, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOSS, Mr. MURPHY of New York, Mr. RIEGLE, Mr. ROSENTHAL, Mr. ROE, and Mrs. SCHROEDER):

H.R. 5740. A bill to assure the right to vote to citizens whose primary language is other

than English; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself Ms. ABZUG, Mr. BROWN of California, Mr. BURTON, Mrs. CHISHOLM, Mr. CORMAN, Mr. DELLUMS, Mr. HARRINGTON, Mr. LEGGETT, Mr. MOSS, Mr. REES, and Mr. STARK):

H.R. 5741. A bill to amend the Immigration and Nationality Act to increase immigration from Western Hemisphere nations; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 5742. A bill relating to the dutiable status of fresh, chilled, or frozen cattle meat and fresh, chilled, or frozen meat of goats and sheep (except lamb); to the Committee on Ways and Means.

By Mr. SAYLOR (for himself and Mr. DELLENBACK):

H.R. 5743. A bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHERLE:

H.R. 5744. A bill to prohibit the exportation of logs from the United States; to the Committee on Banking and Currency.

By Mr. SEIBERLING:

H.R. 5745. A bill to promote the peaceful resolution of international conflict, and for other purposes; to the Committee on Government Operations.

By Mr. JAMES V. STANTON (for himself, Mr. SEIBERLING, Mr. CORMAN, Mr. EILBERG, Mr. MAZZOLI, Mr. MURPHY of Illinois, Mr. SANDMAN, and Mr. SYMINGTON):

H.R. 5746. A bill to provide for greater and more efficient Federal financial assistance to certain large cities with a high incidence of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 5747. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small non-industrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. STUCKEY:

H.R. 5748. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small non-industrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. TEAGUE of Texas (for himself and Mr. MOSHER):

H.R. 5749. A bill to establish a national policy relating to conversion to the metric system in the United States; to the Committee on Science and Astronautics.

By Mr. UDALL:

H.R. 5750. A bill to authorize the construction of transmission facilities for delivery to the continental United States of petroleum reserves located on the North Slope of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN:

H.R. 5751. A bill to amend section 202 of the Interstate Commerce Act to prohibit certain motor carrier operations between the United States and any contiguous foreign country by a person not a citizen of the United States unless the foreign country concerned grants reciprocal privileges to citizens of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. WALDIE (for himself, Mr. MCLOSKEY, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. BOB WILSON, Mr. SEIBERLING, Mr. PETTIS, Mr. ROYBAL, Mr.

DANIELSON, Mr. RYAN, Mr. LEGGETT, Mr. STARK, Mr. BROWN of California, Mr. MOSS, Mr. DRINAN, Mr. EDWARDS of California, Mr. MOAKLEY, and Mr. VANDER JAGT):

H.R. 5752. A bill to enlarge the Sequoia National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 5753. A bill to require the Secretary of the Interior to make a comprehensive study of the dolphin and porpoise for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF (for himself and Mr. GUNTER):

H.R. 5754. A bill to require States to pass along to individuals who are recipients of aid or assistance under the Federal-State public assistance programs or under certain other Federal programs, and who are entitled to social security benefits, the full amount of the 1972 increase in such benefits, either by disregarding it in determining their need for assistance or otherwise; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. HELSTOSKI, Mr. ROSENTHAL, Mr. DELANEY, Mr. MOSS, Mr. ROYBAL, Mr. RANGEL, Mr. HARRINGTON, Mr. RODINO, and Mr. MOAKLEY):

H.R. 5755. A bill to suspend the importation of liquified natural gas and the construction of new storage facilities for such gas until such time as a thorough evaluation of the hazards associated with the marine transportation and the delivery and storage of such gas is made and other actions are taken to prevent or minimize such hazards; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 5756. A bill to prohibit the importation into the United States of commercially produced domestic dog and cat animal products; and to prohibit dog and cat animal products moving in interstate commerce; to the Committee on Ways and Means.

By Mr. CASEY of Texas:

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

By Mr. HOWARD (for himself, Mr. BIAGGI, Mr. CARNEY of Ohio, Mr. CARTER, Mr. CONLAN, Mr. COTTER, Mr. DORN, Mr. DULSKI, Mr. FINDLEY, Mr.

GERALD R. FORD, Mr. WILLIAM D. FORD, Mr. FORSYTHE, Mr. GUDE, Mr. HAMILTON, Mr. HARRINGTON, Mr. HILLIS, Mr. KEMP, Mr. MATSUNGA, Mr. MELCHER, Mr. O'HARA, Mr. PRICE of Illinois, Mr. REES, Mr. RODINO, Mr. STEIGER of Arizona, and Mr. THOMPSON of New Jersey):

H.J. Res. 438. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.J. Res. 439. Joint resolution designating the square dance as the national folk dance of the United States of America; to the Committee on the Judiciary.

By Mr. REID (for himself and Mrs. MINK):

H.J. Res. 440. Joint resolution prescribing model regulations governing implementation of the provisions of the Social Security Act relating to the administration of social service programs; to the Committee on Ways and Means.

By Mr. DEVINE (for himself, Mr. CLANCY and Mr. HUNT):

H. Con. Res. 154. Concurrent resolution expressing the sense of the Congress with respect to the method of assessment of the financial obligation of each member State of the United Nations; to the Committee on Foreign Affairs.

By Mr. SEIBERLING:

H. Con. Res. 155. Concurrent resolution expressing the sense of Congress that the President should take the necessary steps to initiate service negotiations seeking agreement with the Soviet Union on a comprehensive ban on all nuclear test explosions, to work toward extension of a prohibition against nuclear testing to the other nuclear powers, including France and China, and to declare and observe an indefinite moratorium on all nuclear test explosions; to the Committee on Foreign Affairs.

By Mr. BINGHAM:

H. Res. 311. Resolution expressing the sense of the House of Representatives that the United States terminate its part in SEATO and CENTO; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 5757. A bill for the relief of Harold C. and Vera L. Adler, doing business as the Adler Construction Co.; to the Committee on the Judiciary.

By Mr. COTTER:

H.R. 5758. A bill for the relief of Gaspar Ramos; to the Committee on the Judiciary.

By Mr. DENHOLM:

H.R. 5759. A bill for the relief of Morena Stolmark; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 5760. A bill to provide for the striking of medals commemorating the International Exposition on Environment at Spokane, Wash., in 1974; to the Committee on Banking and Currency.

By Mr. HELSTOSKI (by request):

H.R. 5761. A bill for the relief of Freddy G. Ascarizurez; to the Committee on the Judiciary.

H.R. 5762. A bill for the relief of Mr. and Mrs. Alejandro Jerez; to the Committee on the Judiciary.

H.R. 5763. A bill for the relief of Mr. Freddy Gonzalez Ortega (and Mrs.); to the Committee on the Judiciary.

H.R. 5764. A bill for the relief of Mr. and Mrs. Manuel Ortega; to the Committee on the Judiciary.

H.R. 5765. A bill for the relief of Mr. and Mrs. Sergio H. Savelli; to the Committee on the Judiciary.

H.R. 5766. A bill for the relief of Mr. and Mrs. Jorge Humberto Ubilla and daughter, Jacqueline; to the Committee on the Judiciary.

H.R. 5767. A bill for the relief of Mr. and Mrs. Henry Venegas Vilches; to the Committee on the Judiciary.

By Mr. CLAY:

H. Res. 312. Resolution to refer the bill H.R. 5010 to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; to the Committee on the Judiciary.

#### PETITIONS, ETC

Under clause 1 of rule XXII,

64. The SPEAKER presented a petition of William Moyer, et al., Joliet, Ill., relative to redress of grievances; to the Committee on the Judiciary.

## SENATE—Thursday, March 15, 1973

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

#### PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty and ever-living God, bless this Nation, and make it a blessing to the world. Grant to us sound government, just laws, good education, meaningful work, and pure religion. With each new day wilt Thou give us a new spirit. Give us clean hands and pure hearts fit for Thy service. Help us to work with patience and diligence for the new and better day toward which is the divine intention. May Thy plans become our plans that we may be willing channels of Thy redemptive purpose for all mankind.

We pray in the name of Jesus Christ our Lord. Amen.

#### THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 14, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### COMMITTEE MEETINGS DURING SENATE SESSION TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its

reading clerks, announced that the House had passed the bill (S. 583) to promote the separation of constitutional powers by securing to the Congress additional time in which to consider the Rules of Evidence for United States Courts and Magistrates, the amendments to the Federal Rules of Civil Procedure, and the amendments to the Federal Rules of Criminal Procedure which the Supreme Court on November 20, 1972, ordered the Chief Justice to transmit to the Congress, with amendments, in which it requested the concurrence of the Senate.

#### ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, as the designee of the majority leader, I yield back his time.

The PRESIDENT pro tempore. Does the acting minority leader desire to be recognized?

Mr. HELMS. No, Mr. President.